

**CAPITAL FUTURES CORPORATION AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

## Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of material accounting policies	10~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12
(6) Explanation of significant accounts	12~42
(7) Related-party transactions	42~47
(8) Pledged assets	48
(9) Significant commitments and contingencies	48
(10) Losses due to major disasters	48
(11) Significant subsequent events	48
(12) Derivative instrument transactions	48~52
(13) Restrictions and enforcement of the Company's various financial ratios under Futures Trading Act	53
(14) Specific inherent risks in operating as futures dealer	53
(15) Other	53
(16) Other disclosures	
(a) Information on significant transactions	54~55
(b) Information on investees	55
(c) Information on overseas branches and representative offices	56
(d) Information on investment in Mainland China	56
(e) Major shareholders	56
(17) Segment information	57
9. Disclosures of Securities Dealing Department	58~70



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## Independent Auditors' Review Report

To the Board of Directors of  
Capital Futures Corporation:

### Introduction

We have reviewed the accompanying consolidated balance sheets of Capital Futures Corporation and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in note 4(c), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$27,864 thousands and \$30,981 thousands, constituting 0.05% and 0.06% of consolidated total assets as of March 31, 2024 and 2023, respectively, total liabilities amounting to \$7,511 thousands and \$3,880 thousands, constituting 0.02% and 0.01% of consolidated total liabilities as of March 31, 2024 and 2023, respectively, and total comprehensive income(loss) amounting to \$(879) thousands and \$(1,494) thousands, constituting (0.28)% and (0.64)% of consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

## **Qualified Conclusion**

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Capital Futures Corporation and its subsidiaries as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Wu, Cheng-Yen and Chen, Yi-Jen.

KPMG

Taipei, Taiwan (Republic of China)  
May 13, 2024

## **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets****March 31, 2024, December 31, 2023, and March 31, 2023****(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
111100	Cash and cash equivalents (Note 6(a))	\$ 5,250,921	9	5,741,152	12	5,640,842	11	212000	Financial liabilities at fair value through profit or loss-current (Note 6(b))	\$ 272,856	1	226,781	1	236,779	1
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	1,473,705	3	831,998	2	490,696	1	214080	Futures traders' equity (Note 6(e))	46,817,605	84	40,522,584	82	40,624,681	83
113200	Financial assets at fair value through other comprehensive income- current (Note 6(b))	12,217	-	13,243	-	37,817	-	214100	Leverage contract trading - customers' equity	689,589	1	733,533	2	826,682	2
114010	Bonds purchased under resale agreements (Note 6(b))	158,497	-	91,634	-	237,456	1	214130	Accounts payable	268,128	1	116,674	-	45,861	-
114070	Customers margin accounts (Note 6(e))	46,800,209	84	40,635,089	82	40,741,331	83	214140	Accounts payable- related parties (Note 7)	13,275	-	8,956	-	16,837	-
114090	Security borrowing collateral price	176,976	-	117,392	-	16,955	-	214150	Advance receipts	2,377	-	1,970	-	2,116	-
114100	Security borrowing margin	29,423	-	88,680	-	197,829	-	214160	Receipts under custody	7,007	-	4,992	-	5,322	-
114130	Accounts receivable	236,430	-	43,577	-	19,096	-	214170	Other payables	174,835	-	218,121	-	147,677	-
114140	Accounts receivable- related parties (Note 7)	1,482	-	1,118	-	1,122	-	214180	Other payables- related parties (Note 7)	15,416	-	860	-	28,720	-
114150	Prepayments	23,141	-	18,394	-	74,886	-	214600	Current income tax liabilities	200,943	-	162,937	-	127,584	-
114170	Other receivables	349,105	1	108,385	-	342,435	1	215100	Provisions- current	7,792	-	7,601	-	6,449	-
114180	Other receivables- related parties (Note 7)	5,231	-	4,977	-	17,169	-	216000	Lease liabilities- current (Note 6(h))	32,435	-	33,102	-	15,913	-
114300	Leverage contract trading-customers' margin accounts	690,953	1	712,455	2	792,344	2	219000	Other current liabilities	14,678	-	38,975	-	17,574	-
114600	Current income tax assets	215	-	176	-	234	-			<u>48,516,936</u>	<u>87</u>	<u>42,077,086</u>	<u>85</u>	<u>42,102,195</u>	<u>86</u>
		<u>55,208,505</u>	<u>98</u>	<u>48,408,270</u>	<u>98</u>	<u>48,610,212</u>	<u>99</u>	<b>Non-current liabilities:</b>							
<b>Non-current assets:</b>								226000	Lease liabilities- non-current (Note 6(h))	49,656	-	56,398	-	14,383	-
123200	Financial assets at fair value through other comprehensive income- non- current (Note 6(b))	139,466	1	130,833	-	53,772	-	228000	Deferred income tax liabilities	36,229	-	30,231	-	39,125	-
125000	Property and equipment (Note 6(c))	127,191	-	134,775	1	40,604	-			<u>85,885</u>	<u>-</u>	<u>86,629</u>	<u>-</u>	<u>53,508</u>	<u>-</u>
125800	Right-of-use assets (Note 6(d))	81,631	-	89,382	-	29,895	-	906003	<b>Total liabilities</b>	<u>48,602,821</u>	<u>87</u>	<u>42,163,715</u>	<u>85</u>	<u>42,155,703</u>	<u>86</u>
127000	Intangible assets (Note 6(g))	58,377	-	59,972	-	62,395	-	<b>Equity attributable to owners of parent:</b>							
129000	Other non-current assets	482,299	1	516,861	1	376,537	1	301010	Common stock (Note 6(k))	2,104,376	4	2,104,376	4	2,104,376	4
		<u>888,964</u>	<u>2</u>	<u>931,823</u>	<u>2</u>	<u>563,203</u>	<u>1</u>	302000	Capital surplus (Note 6(k))	1,663,251	3	1,663,251	4	1,663,251	4
906001	<b>Total assets</b>	<u>\$ 56,097,469</u>	<u>100</u>	<u>49,340,093</u>	<u>100</u>	<u>49,173,415</u>	<u>100</u>	304010	Legal reserve	757,377	1	757,377	2	678,939	1
								304020	Special reserve	1,650,772	3	1,650,772	3	1,579,617	3
								304040	Unappropriated earnings (Note 6(k))	1,277,261	2	1,010,085	2	1,026,943	2
								305000	Other equity	37,925	-	(12,412)	-	(37,799)	-
										<u>7,490,962</u>	<u>13</u>	<u>7,173,449</u>	<u>15</u>	<u>7,015,327</u>	<u>14</u>
								306000	<b>Non-controlling interests</b>	3,686	-	2,929	-	2,385	-
								906004	<b>Total equity</b>	<u>7,494,648</u>	<u>13</u>	<u>7,176,378</u>	<u>15</u>	<u>7,017,712</u>	<u>14</u>
								906002	<b>Total liabilities and equity</b>	<u>\$ 56,097,469</u>	<u>100</u>	<u>49,340,093</u>	<u>100</u>	<u>49,173,415</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		<b>For the three months ended March 31,</b>			
		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Income:</b>					
401000	Brokerage fee revenue (Note 6(m))	\$ 415,768	73	427,300	82
410000	Net gains (losses) on sale of trading securities	36,533	6	915	-
421300	Dividend revenue	1,070	-	124	-
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	42,455	8	(662)	-
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	12,672	2	(55,131)	(10)
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	3,657	1	(20,126)	(4)
424100	Futures commission revenue (Note 6(m))	88,844	16	54,294	10
424200	Securities commission revenue	3,744	1	2,748	1
424400	Net gains (losses) on derivative instruments- futures (Note 6(m))	(67,643)	(12)	86,501	17
424500	Net gains (losses) on derivative instruments - OTC (Note 6(m))	27,080	5	22,570	4
424800	Management fee revenue	1,339	-	441	-
424900	Consulting fee revenue	1,411	-	2,248	-
428000	Other operating revenue	2,558	-	1,936	-
		<u>569,488</u>	<u>100</u>	<u>523,158</u>	<u>100</u>
<b>Expenses:</b>					
501000	Brokerage fees	93,998	17	61,808	12
502000	Brokerage fees - proprietary trading	1,192	-	2,175	-
521200	Financial costs	12,200	2	7,798	2
425300	Expected credit impairment losses and reversal gains (Note 6(n))	(68)	-	(75)	-
524100	Futures commission expenses (Note 6(m))	109,471	19	109,026	21
524300	Clearing and settlement expenses	44,480	8	37,649	7
528000	Other operating expenditure	1,667	-	1,551	-
531000	Employee benefit expenses (Note 6(m))	171,142	30	153,033	29
532000	Depreciation and amortization expenses (Note 6(m))	18,873	3	13,354	3
533000	Other operating expenses (Note 6(m))	133,195	24	114,224	22
		<u>586,150</u>	<u>103</u>	<u>500,543</u>	<u>96</u>
	<b>Net operating income (loss)</b>	<u>(16,662)</u>	<u>(3)</u>	<u>22,615</u>	<u>4</u>
<b>Non-operating income and expenses:</b>					
602000	Other gains and losses (Note 6(m))	350,536	62	284,488	54
		<u>350,536</u>	<u>62</u>	<u>284,488</u>	<u>54</u>
902001	<b>Net income before income tax</b>	333,874	59	307,103	58
701000	<b>Less: Income tax expenses (Note 6(j))</b>	65,998	12	65,392	12
	<b>Net income</b>	<u>267,876</u>	<u>47</u>	<u>241,711</u>	<u>46</u>
805000	<b>Other comprehensive income:</b>				
805500	<b>Components that may not be reclassified subsequently to profit or loss:</b>				
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	7,607	1	7,270	1
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Subtotal of components that may not be reclassified subsequently into profit or loss</b>	<u>7,607</u>	<u>1</u>	<u>7,270</u>	<u>1</u>
805600	<b>Components that may be reclassified subsequently to profit or loss:</b>				
805610	Exchange differences on translation of foreign operations	42,787	8	(14,782)	(3)
805699	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Subtotal of components that may be reclassified subsequently to profit or loss</b>	<u>42,787</u>	<u>8</u>	<u>(14,782)</u>	<u>(3)</u>
805000	<b>Other comprehensive income</b>	50,394	9	(7,512)	(2)
902006	<b>Total comprehensive income</b>	<u>\$ 318,270</u>	<u>56</u>	<u>234,199</u>	<u>44</u>
<b>Net income attributable to:</b>					
913100	Shareholders of the parent	\$ 267,176	47	241,462	46
913200	Non-controlling interests	700	-	249	-
		<u>\$ 267,876</u>	<u>47</u>	<u>241,711</u>	<u>46</u>
<b>Comprehensive income attributable to:</b>					
914100	Shareholders of the parent	\$ 317,513	56	233,939	44
914200	Non-controlling interests	757	-	260	-
		<u>\$ 318,270</u>	<u>56</u>	<u>234,199</u>	<u>44</u>
975000	<b>Basic earnings per share (NT dollars) (Note 6(l))</b>	<u>\$ 1.27</u>		<u>1.15</u>	
985000	<b>Diluted earnings per share (NT dollars) (Note 6(l))</b>	<u>\$ 1.27</u>		<u>1.15</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									Non-controlling interests	Total equity	
	Stock					Retained earnings						Other equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent				
<b>Balance at January 1, 2023</b>	\$ 2,104,376	1,663,251	678,939	1,579,617	785,292	(23,060)	(7,027)	6,781,388	2,125	6,783,513		
Net income for the three months ended March 31, 2023	-	-	-	-	241,462	-	-	241,462	249	241,711		
Other comprehensive income	-	-	-	-	-	(14,793)	7,270	(7,523)	11	(7,512)		
Total comprehensive income	-	-	-	-	241,462	(14,793)	7,270	233,939	260	234,199		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	189	-	(189)	-	-	-		
<b>Balance at March 31, 2023</b>	<u>\$ 2,104,376</u>	<u>1,663,251</u>	<u>678,939</u>	<u>1,579,617</u>	<u>1,026,943</u>	<u>(37,853)</u>	<u>54</u>	<u>7,015,327</u>	<u>2,385</u>	<u>7,017,712</u>		
<b>Balance at January 1, 2024</b>	\$ 2,104,376	1,663,251	757,377	1,650,772	1,010,085	(26,094)	13,682	7,173,449	2,929	7,176,378		
Net income for the three months ended March 31, 2024	-	-	-	-	267,176	-	-	267,176	700	267,876		
Other comprehensive income	-	-	-	-	-	42,730	7,607	50,337	57	50,394		
Total comprehensive income	-	-	-	-	267,176	42,730	7,607	317,513	757	318,270		
<b>Balance at March 31, 2024</b>	<u>\$ 2,104,376</u>	<u>1,663,251</u>	<u>757,377</u>	<u>1,650,772</u>	<u>1,277,261</u>	<u>16,636</u>	<u>21,289</u>	<u>7,490,962</u>	<u>3,686</u>	<u>7,494,648</u>		

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
<b>Net income before income tax</b>	\$ 333,874	307,103
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	17,306	12,338
Amortization expense	1,567	1,016
Expected credit impairment reversal gain	(68)	(75)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(57,515)	19,060
Interest expense	12,200	7,798
Interest income (including financial income)	(323,069)	(277,129)
Dividend revenue	(2,403)	(263)
Impairment loss	1,230	1,150
<b>Total adjustments to reconcile profit (loss)</b>	<u>(350,752)</u>	<u>(236,105)</u>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	(587,849)	85,161
Increase in bond purchased under resale agreements	(66,863)	(194,290)
Decrease (increase) in customer margin accounts	(6,165,120)	511,294
Decrease in receivable-futures margin	68	82
Decrease in leverage contract trading - customer's margin accounts	21,502	63,677
Decrease in security borrowing margin	59,257	670,608
Decrease (increase) in security borrowing collateral price	(59,584)	456,590
Increase in accounts receivable	(192,853)	(8,544)
Increase in accounts receivable - related parties	(364)	(238)
Decrease (increase) in prepayments	537	(5,935)
Increase in other receivables	(245,785)	(132,230)
Increase in other receivables- related parties	(250)	(9,740)
Increase in net defined benefit asset	(62)	(659)
Decrease (increase) in clearing and settlement fund	34,852	(9,725)
Increase in refundable deposits	(228)	(1,031)
Increase (decrease) in financial liabilities at fair value through profit or loss	49,732	(628,232)
Increase (decrease) in futures traders' equity	6,295,021	(462,444)
Decrease in leverage contract trading - customer's equity	(43,944)	(23,205)
Increase (decrease) in accounts payable	151,454	(6,488)
Increase in accounts payable - related parties	4,319	4,076
Increase (decrease) in advance receipts	407	(99)
Increase in receipts under custody	2,015	126
Decrease in other payables	(50,763)	(78,864)
Increase in other payables - related parties	16,212	25,458
Increase in provisions for liabilities	191	410
Increase (decrease) in other current liabilities	(24,297)	3,823
<b>Total changes in operating assets and liabilities</b>	<u>(802,395)</u>	<u>259,581</u>
<b>Total adjustments</b>	<u>(1,153,147)</u>	<u>23,476</u>
Cash inflow (outflow) generated from operations	(819,273)	330,579
Interest received	326,831	274,651
Dividends received	3,702	263
Interest paid	(6,547)	(5,816)
Income taxes paid	(21,994)	(19,459)
<b>Net cash flows from (used in) operating activities</b>	<u>(517,281)</u>	<u>580,218</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(50,560)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	11,190
Acquisition of property and equipment	(520)	(3,338)
Proceeds from disposal of property and equipment	110	-
Acquisition of intangible assets	(1,117)	(2,947)
Increase in prepayments for business facilities	(5,914)	(29,265)
<b>Net cash flows used in investing activities</b>	<u>(7,441)</u>	<u>(74,920)</u>
<b>Cash flows from (used in) financing activities:</b>		
Payments of lease liabilities	(8,013)	(6,649)
<b>Net cash flows used in financing activities</b>	<u>(8,013)</u>	<u>(6,649)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	42,504	(14,689)
<b>Net increase (decrease) in cash and cash equivalents</b>	(490,231)	483,960
<b>Cash and cash equivalents at beginning of period</b>	5,741,152	5,156,882
<b>Cash and cash equivalents at end of period</b>	<u>\$ 5,250,921</u>	<u>5,640,842</u>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the three months ended March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Capital Futures Corporation (the “Company”) was incorporated on February 26, 1997 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 32nd and B1 Fl. No. 97, Tun Hwa South Rd., Sec. 2, Taipei, Taiwan, R.O.C. The Company established the Taichung branch. The Company's common shares were listed at Taipei Exchange (TPEX) officially on April 27, 2009, then transferred to Taiwan Stock Exchange (TWSE) on October 16, 2017. The composition of the consolidated financial statements includes the Company and the subsidiaries (the “Group”). The Group is authorized to conduct the following businesses:

- (a) Futures business
- (b) Futures advisory business
- (c) Securities introducing brokerage
- (d) Futures management business
- (e) Management consulting and information software service
- (f) Securities business on a proprietary basis
- (g) Securities investment consulting
- (h) Lever Exchange Agency

**(2) Approval date and procedures of the consolidated financial statements:**

The consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2024.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

**(4) Summary of material accounting policies:**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

**(b) Basis of preparation**

**(i) Basis of measurement**

Except for the following significant account, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial assets at fair value through profit or loss are measured at fair value (including derivative instruments);
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- 3) The defined benefit liabilities (assets) are measured as the fair value of the plan assets less the present value of the defined benefit obligation, and the upper limit of the number of effects.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Subsidiaries included in the consolidated financial report are as follows:

Name of the investor	Subsidiaries	Business type	Ratio of Equity Ownership			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	CSC Futures (HK) Ltd.	Futures dealing business and other businesses permitted by local law of Hong Kong	100.00 %	100.00 %	100.00 %	
The Company	Capital International Technology Corp.	Management consulting and information service business.	100.00 %	100.00 %	100.00 %	(Note 1)
Capital International Technology Corp.	Capital True Partner Technology Co., Ltd.	Management consulting and information service business.	51.00 %	51.00 %	51.00 %	(Note 1)
Capital International Technology Corp.	Capital Futures Technology (Shanghai) Co., Ltd.	Management, consulting and information service business.	100.00 %	100.00 %	100.00 %	(Note 1)

Note 1: These companies are individually immaterial subsidiaries, and financial statements have not been reviewed by the independent auditors. These subsidiaries, in aggregate, represented total consolidated assets of \$27,864 and \$30,981 and total consolidated liabilities of \$7,511 and \$3,880 as of March 31, 2024 and 2023, respectively, and total consolidated comprehensive income (loss) of \$(879) and \$(1,494) for the three months ended March 31, 2024 and 2023, respectively.

(d) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(e) Income tax

The Group estimated and disclosed interim income tax under IAS 34 "Interim Financial Reporting" Appendix B12.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Income tax expense is best estimated by multiplying pretax income for the interim reporting period using the effective annual average tax rate as forecasted by the management, and is recognized as current tax expense.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as tax expense.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the related rules of Preparing Financial Reports of Managed Futures Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms and IAS 34 “Interim Financial Reporting” requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In these consolidated financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those of Note 5 of the consolidated financial statements for the year ended December 31, 2023.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to note 6 to the 2023 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash	\$ 175	252	135
Demand deposits	538,040	394,140	423,391
Time deposits	3,703,300	3,976,496	4,232,773
Futures margin- excess margin	780,414	1,121,187	984,543
Commercial paper	<u>228,992</u>	<u>249,077</u>	<u>-</u>
Total	<u>\$ 5,250,921</u>	<u>5,741,152</u>	<u>5,640,842</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Financial assets and liabilities, bonds purchased under resale agreements

(i) Financial assets at fair value through profit or loss- current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Open-ended funds and money-market instruments	\$ 125,000	30,000	60,000
Open-ended funds and money-market instruments valuation adjustment	7,959	263	1,045
Trading securities- proprietary trading	754,075	325,193	402
Trading securities- proprietary trading valuation adjustment	68,708	21,701	(192)
Securities invested by securities broker	6,015	6,314	26,344
Securities invested by securities broker valuation adjustment	2	7	(39)
Call options- non-hedging	219,449	194,196	153,135
Futures margin- proprietary fund- non-hedging	101,940	87,763	48,081
Leverage derivatives- non-hedging	178,749	150,671	184,636
Equity derivatives- non-hedging	11,808	15,890	17,284
Total	<u>\$ 1,473,705</u>	<u>831,998</u>	<u>490,696</u>

If there is an increase in the securities price of 1% on the reporting date (assume that all other variables remained constantly), the impact on after-tax comprehensive income for the three months ended March 31, 2024 and 2023, will increase \$9,618 and \$876, respectively. Conversely, if there is a decrease in the securities price of 1% on the reporting date based on all other variables remained constantly, there will be the same amount but opposite direction of influence.

(ii) Financial assets at fair value through other comprehensive income- current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	40,856
Valuation adjustment	(3,676)	(2,650)	(3,039)
Total	<u>\$ 12,217</u>	<u>13,243</u>	<u>37,817</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group did not intend to hold for trading purposes.

During the three months ended March 31, 2024 and 2023, the dividends of \$0 and \$124, related to equity investment at fair value through other comprehensive income held on March 31, 2024 and 2023, respectively, were recognized. For investments in equity securities disposed of for the three months ended March 31, 2024 and 2023, no dividend income was recognized in the reported periods.

During the three months ended March 31, 2024 and 2023, due to the consideration of asset allocation and managing and adjusting the investment portfolio, the Group sold shares of stocks for a fair value \$0 and \$11,190, respectively, and cumulative dispose gains for the three months ended March 31, 2024 and 2023, amounted to \$0 and \$189, respectively, were transferred from other equity items to retained earnings.

(iii) Bonds purchased under resale agreements

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Bonds purchased under resale agreements	<u>\$ 158,497</u>	<u>91,634</u>	<u>237,456</u>
Resale price under the agreements	<u>\$ 158,548</u>	<u>91,670</u>	<u>237,526</u>
Interest rates	<u>1.00%</u>	<u>0.95%~1.00%</u>	<u>0.77%~0.83%</u>
Date of repurchase	<u>2024.04.01~2024.04.12</u>	<u>2024.01.02~2024.01.12</u>	<u>2023.04.06~2023.04.14</u>

(iv) Financial assets at fair value through other comprehensive income- non-current

Equity instruments at fair value through other comprehensive income:

<b>Investee Company</b>	<b>March 31, 2024</b>		<b>December 31, 2023</b>		<b>March 31, 2023</b>	
	<b>Ownership ratio</b>	<b>Amount</b>	<b>Ownership ratio</b>	<b>Amount</b>	<b>Ownership ratio</b>	<b>Amount</b>
Taiwan Futures Exchange Co., Ltd	0.0042 %	\$ 1,681	0.0042 %	1,504	0.0042 %	1,286
CME Group	0.0056 %	<u>137,785</u>	0.0056 %	<u>129,329</u>	0.0025 %	<u>52,486</u>
Total		<u>\$ 139,466</u>		<u>130,833</u>		<u>53,772</u>

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group did not intend to hold for trading purposes.

During the three months ended March 31, 2024 and 2023, the dividends of \$508 and \$12, related to equity investments at fair value through other comprehensive income held on March 31, 2024 and 2023, respectively, were recognized. No strategic investments were disposed of during the three months ended March 31, 2024 and 2023, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Financial liabilities at fair value through profit or loss- current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Put options - non-hedging	\$ 78,815	82,162	107,230
Liabilities on sale of borrowed securities - non-hedging	188,850	129,773	122,423
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	(4,220)	(562)	830
Leverage derivatives- non-hedging	9,411	15,402	5,659
Equity derivatives- non-hedging	-	6	637
Total	<u>\$ 272,856</u>	<u>226,781</u>	<u>236,779</u>

(c) Property and equipment

The cost and accumulated depreciation of the property and equipment of the Group were as follows:

	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<b>Cost:</b>			
Balance at January 1, 2024	\$ 212,007	16,410	228,417
Additions	360	160	520
Transfer from prepayments for business facilities	630	-	630
Disposal	(156)	-	(156)
Effect of exchange rate changes	1,853	141	1,994
Balance at March 31, 2024	<u>\$ 214,694</u>	<u>16,711</u>	<u>231,405</u>
Balance at January 1, 2023	\$ 134,820	11,132	145,952
Additions	3,334	4	3,338
Effect of exchange rate changes	(585)	(50)	(635)
Balance at March 31, 2023	<u>\$ 137,569</u>	<u>11,086</u>	<u>148,655</u>
<b>Accumulated depreciation:</b>			
Balance at January 1, 2024	\$ 85,997	7,645	93,642
Depreciation	7,844	943	8,787
Disposal	(46)	-	(46)
Effect of exchange rate changes	1,753	78	1,831
Balance at March 31, 2024	<u>\$ 95,548</u>	<u>8,666</u>	<u>104,214</u>

(Continued)



**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Office equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Balance at January 1, 2023	\$ 97,369	5,859	103,228
Depreciation	4,806	578	5,384
Effect of exchange rate changes	(542)	(19)	(561)
Balance at March 31, 2023	<u>\$ 101,633</u>	<u>6,418</u>	<u>108,051</u>
<b>Carrying amounts:</b>			
Balance at January 1, 2024	<u>\$ 126,010</u>	<u>8,765</u>	<u>134,775</u>
Balance at March 31, 2024	<u>\$ 119,146</u>	<u>8,045</u>	<u>127,191</u>
Balance at March 31, 2023	<u>\$ 35,936</u>	<u>4,668</u>	<u>40,604</u>

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any property and equipment as collateral and pledge.

(d) Right-of-use assets

The Group leases buildings and equipment. Information about leases for which the Group as a lessee was presented below:

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>Cost:</b>			
Balance at January 1, 2024	\$ 111,026	9,273	120,299
Additions	-	479	479
Effect of exchange rate changes	774	-	774
Balance at March 31, 2024	<u>\$ 111,800</u>	<u>9,752</u>	<u>121,552</u>
Balance at January 1, 2023	\$ 90,880	9,895	100,775
Effect of exchange rate changes	(221)	-	(221)
Balance at March 31, 2023	<u>\$ 90,659</u>	<u>9,895</u>	<u>100,554</u>
<b>Accumulated depreciation:</b>			
Balance at January 1, 2024	\$ 27,047	3,870	30,917
Depreciation	7,760	759	8,519
Effect of exchange rate changes	485	-	485
Balance at March 31, 2024	<u>\$ 35,292</u>	<u>4,629</u>	<u>39,921</u>
Balance at January 1, 2023	\$ 58,090	5,737	63,827
Depreciation	6,362	592	6,954
Effect of exchange rate changes	(122)	-	(122)
Balance at March 31, 2023	<u>\$ 64,330</u>	<u>6,329</u>	<u>70,659</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
<b>Carrying amounts:</b>			
Balance at January 1, 2024	\$ <u>83,979</u>	<u>5,403</u>	<u>89,382</u>
Balance at March 31, 2024	\$ <u>76,508</u>	<u>5,123</u>	<u>81,631</u>
Balance at March 31, 2023	\$ <u>26,329</u>	<u>3,566</u>	<u>29,895</u>

(e) Customers margin accounts/futures traders' equity

As of March 31, 2024, December 31 and March 31, 2023, the differences between customers' margin accounts and futures traders' equity were reconciled as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Customers margin accounts			
Cash in bank	\$ 32,648,758	28,274,910	28,039,133
Balance of the futures clearing house	8,759,036	7,039,533	5,610,659
Balance of other futures commission merchants	5,157,306	5,319,585	7,064,928
Marketable securities	<u>235,109</u>	<u>1,061</u>	<u>26,611</u>
Balance of customers margin accounts	<u>46,800,209</u>	<u>40,635,089</u>	<u>40,741,331</u>
Plus adjustment items:			
Commission cost	4,757	3,335	4,067
Other payables	48,471	-	-
Others	51	-	25
Deduction adjustment items:			
Brokerage fee revenue	(16,144)	(11,190)	(15,981)
Futures transaction tax	(3,699)	(1,544)	(1,834)
Interest income	(2,347)	(3,202)	(8,010)
Temporary credits	(694)	(812)	(30,944)
Remittance amount of the customers after the market closed	(12,999)	(37,268)	(15,732)
Other receivables	-	(61,788)	(48,241)
Others	<u>-</u>	<u>(36)</u>	<u>-</u>
Balance of futures traders' equity	<u>\$ 46,817,605</u>	<u>40,522,584</u>	<u>40,624,681</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(f) Receivable - futures margin

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Receivable - futures margin - current	\$ 373	373	373
Less: Loss allowance	<u>373</u>	<u>373</u>	<u>373</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Receivable - futures margin - non-current	6,016	6,084	6,308
Less: Loss allowance	<u>6,016</u>	<u>6,084</u>	<u>6,308</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ -</u>	<u>-</u>	<u>-</u>

The movement in the allowance for receivable- futures margin was as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Balance on January 1	\$ 6,457	6,756
Impairment losses recognized (reversed)	<u>(68)</u>	<u>(75)</u>
Balance on March 31	<u>\$ 6,389</u>	<u>6,681</u>

(g) Intangible assets

The cost, amortization, and impairment losses of intangible assets were as follows:

	<u>Goodwill (Note2)</u>	<u>The seats of foreign futures exchanges (Note1)</u>	<u>Computer software</u>	<u>Total</u>
<b>Cost:</b>				
Balance at January 1, 2024	\$ 22,088	50,563	18,186	90,837
Additions	-	-	1,117	1,117
Effect of exchange rate changes	<u>-</u>	<u>256</u>	<u>77</u>	<u>333</u>
Balance at March 31, 2024	<u>\$ 22,088</u>	<u>50,819</u>	<u>19,380</u>	<u>92,287</u>
Balance at January 1, 2023	\$ 22,088	50,577	16,625	89,290
Additions	-	-	2,947	2,947
Effect of exchange rate changes	<u>-</u>	<u>(94)</u>	<u>22</u>	<u>(72)</u>
Balance at March 31, 2023	<u>\$ 22,088</u>	<u>50,483</u>	<u>19,594</u>	<u>92,165</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Goodwill (Note2)</u>	<u>The seats of foreign futures exchanges (Note1)</u>	<u>Computer software</u>	<u>Total</u>
<b>Amortization and impairment losses:</b>				
Balance at January 1, 2024	\$ 15,584	4,289	10,992	30,865
Amortization	-	-	1,567	1,567
Impairment losses	1,230	-	-	1,230
Effect of exchange rate changes	-	176	72	248
Balance at March 31, 2024	<u>\$ 16,814</u>	<u>4,465</u>	<u>12,631</u>	<u>33,910</u>
Balance at January 1, 2023	\$ 10,957	4,299	12,394	27,650
Amortization	-	-	1,016	1,016
Impairment losses	1,150	-	-	1,150
Effect of exchange rate changes	-	(65)	19	(46)
Balance at March 31, 2023	<u>\$ 12,107</u>	<u>4,234</u>	<u>13,429</u>	<u>29,770</u>
<b>Carrying value:</b>				
Balance at January 1, 2024	<u>\$ 6,504</u>	<u>46,274</u>	<u>7,194</u>	<u>59,972</u>
Balance at March 31, 2024	<u>\$ 5,274</u>	<u>46,354</u>	<u>6,749</u>	<u>58,377</u>
Balance at March 31, 2023	<u>\$ 9,981</u>	<u>46,249</u>	<u>6,165</u>	<u>62,395</u>

Note: 1. The Group obtained the seats of foreign futures exchanges - NYMEX, COMEX, CBOT, HKEX and CME for business development. In accordance with IAS No. 38 "Intangible Assets" endorsed by the FSC, the seats are regarded as intangible assets with an indefinite useful life.

2. The Group recognized an impairment loss of \$1,230 and \$1,150 for the three months ended March 31, 2024 and 2023, by using the discount rate of 3.95% and 4.30% on the basis of the future recoverable amount of sub-subsidiary from Mainland China.

(h) Lease liabilities

The Group's lease liabilities were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	<u>\$ 32,435</u>	<u>33,102</u>	<u>15,913</u>
Non-current	<u>\$ 49,656</u>	<u>56,398</u>	<u>14,383</u>

The maturity analysis please refer to note 6(n) financial instruments.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The amounts recognized in profit or loss were as follows :

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	<u>\$ 443</u>	<u>125</u>
Expenses relating to short-term leases	<u>\$ 2,665</u>	<u>1,755</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	<u>\$ -</u>	<u>76</u>

The amounts recognized in the statement of cash flows for the Group were as follows :

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	<u>\$ 11,121</u>	<u>8,605</u>

(i) Real estate leases

The Group leases buildings for its office space. The leases of office space typically run for 1 to 5 years.

(ii) Other leases

The Group leases equipment with contract terms of 1 to 5 years.

(i) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The Group recognized expenses in profit or loss for the three months ended March 31, 2024 and 2023 were \$(43) and \$(639), respectively.

(ii) Defined contribution plans

The Group's expenses under the pension plan contributed to the Bureau of Labor Insurance for the three months ended March 31, 2024 and 2023 were \$3,827 and \$3,833, respectively.

(iii) The pension costs of foreign subsidiaries in accordance with the local laws and regulations for the three months ended March 31, 2024 and 2023 were \$950 and \$844, respectively.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(j) Income taxes

(i) The Group's tax rate interpretation was as follow:

The Company and its subsidiary Capital International Technology Corp. are founded in Taiwan. The corporate income tax rates are both 20% for the three months ended March 31, 2024 and 2023.

The subsidiary CSC Futures (HK) Ltd. is founded in Hong Kong. The corporate income tax rates are both 16.5% for the three months ended March 31, 2024 and 2023.

The tax rates of reinvestment business of subsidiaries including Capital True Partner Technology Co., Ltd. and Capital Futures Technology (Shanghai) Co., Ltd. founded in Mainland China are both 25% for the three months ended March 31, 2024 and 2023.

(ii) Income tax expense

The amounts of income tax expense (benefit) for the three months ended March 31, 2024 and 2023 were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Current income tax expense	\$ 60,000	64,095
Deferred income tax expense	5,998	1,297
Total	<u>\$ 65,998</u>	<u>65,392</u>

(iii) Income tax assessment status

The Company's income tax returns through 2021 were assessed by the Tax Authority.

The subsidiary Capital International Technology Corp.'s income tax returns through 2022 were assessed by the Tax Authority.

(k) Capital and other equity

(i) Common stock

As of March 31, 2024, December 31 and March 31, 2023, the company had authorized capital both of \$2,500,000, with par value of \$10 per share and 250,000 thousand shares; the issued common stock were 210,438 thousand shares.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Capital surplus

The detail of the capital surplus of the Company is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Share premium			
Capital addition-Share premium	\$ 1,635,556	1,635,556	1,635,556
Capital addition-Employee stock option	24,134	24,134	24,134
Difference between consideration transferred and carrying amount of subsidiaries acquired and disposed	2,106	2,106	2,106
Changes in ownership interests in subsidiaries	995	995	995
Right of inclusion options exercised	460	460	460
	<u>\$ 1,663,251</u>	<u>1,663,251</u>	<u>1,663,251</u>

In accordance with the R.O.C Company Act, realized capital surplus can only be used to cover accumulated deficit or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. The aforementioned capital surplus includes share premiums and donation gains. In accordance with the Securities Offering and Issuance Guidelines, the amount of capital surplus to be capitalized shall not exceed 10 percent of the paid-in capital each year.

(iii) Retained earnings

1) Legal reserve

When companies incur no loss, they are able to distribute new shares or cash dividends through legal reserve under the resolution of stockholders' meeting, but companies can only distribute the part that the reserve exceeds 25% of the paid in capital.

2) Special reserve

In accordance with Article 41 of the Securities and Exchange Law, 20 percent of the current year's earnings after tax plus items other than earnings after tax should be set aside as special reserve. Ruling No. 1110380212 issued by the Financial Supervisory Commission on January 21, 2022, an equivalent amount of special reserve should be set aside from earnings after tax of the current year and the undistributed earnings of the prior period based on the decreased amount of stockholders' equity. For the cumulative deduction in stockholders' equity of the prior period, the equal amount of special reserve set aside based on undistributed earnings should not be distributed. If there is any reversal of the deduction in stockholders' equity, the earnings may be distributed based on the reversal proportion.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

In accordance with Ruling No. 10500278285 issued by the Financial Supervisory Commission on August 5, 2016, 0.5% to 1.0% of the current year's earnings after tax should be set aside as special reserve for year 2016 to 2018. From year 2017, the aforementioned special reserve can be reversed within an amount equal to the expenditures stemming from employee re training, re assignments, or relocations made necessary by the introduction of financial technology. An accumulated amount of \$10,378 was accounted for from the year 2016 to 2018.

In accordance with Ruling No. 1080321644 issued by the Financial Supervisory Commission on July 10, 2019, from year 2019, a special reserve can not to be set aside, but an certain amount of budget should be designated for the current year to pay for employee transformation and training to protect employee's right and interest. From year 2019, the special reserve can be reversed within an amount equal to special reserve for year 2016 to 2018 when the aforementioned fees being expended.

3) Undistributed earnings

According to the Company's Articles of Incorporation, after-tax earnings should first offset accumulated deficit, and then 10% of the remainder should be appropriated as legal reserve. However, when the legal reserve has reached the paid-up capital, is not within this limit. If there's earning plus undistributed earnings of beginning of the year, the Company's earnings distribution was proposed by board of directors and is subject to the resolution of the shareholders' meeting.

The Company's fiscal year 2023 earnings distribution proposed by the board meeting on March 12, 2024 and fiscal year 2022 earnings distribution resolved by the shareholders' meeting on May 31, 2023, were as follows:

	<b>For the years ended December 31,</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Amount</b>	<b>Per share (NT dollars)</b>	<b>Amount</b>	<b>Per share (NT dollars)</b>
Cash dividends	\$ <b>723,905</b>	3.44	<b>635,522</b>	3.02

The information about the appropriations proposed by the board meeting and approved by stockholders' meeting is available at the Market Observation Post System website.

(Continued)



**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(l) Earnings per share

The basic earnings per share and diluted earnings per share for the three months ended March 31, 2024 and 2023 were calculated as follows:

(i) Basic earnings per share

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income attributable to common shareholders of the Company	\$ <u>267,176</u>	<u>241,462</u>
Weighted-average number of common stock shares outstanding (thousands of shares)	<u>210,438</u>	<u>210,438</u>
Basic earnings per share (NT dollars)	\$ <u>1.27</u>	<u>1.15</u>

(ii) Diluted earnings per share

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income attributable to common shareholders of the Company	\$ <u>267,176</u>	<u>241,462</u>
Weighted-average number of common stock shares outstanding (thousands of shares)	210,438	210,438
Effect of potentially dilutive common stock - Employee remuneration (thousands of shares)	308	335
Weighted-average outstanding shares of diluted earnings per share (thousands of shares)	<u>210,746</u>	<u>210,773</u>
Diluted earnings per share (NT dollars)	\$ <u>1.27</u>	<u>1.15</u>

(m) Items of the statements of comprehensive income

(i) Brokerage fee revenue

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Consignment trading handling fee revenue- Domestic futures	\$ 219,931	184,712
Consignment trading handling fee revenue- Foreign futures	192,589	236,134
Consignment trading handling fee revenue- Leverage Exchange Agency Trading	3,248	6,454
	<u>\$ 415,768</u>	<u>427,300</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Futures commission revenue

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Futures commission revenue- CSC Futures (HK) Ltd.	\$ <u>88,844</u>	<u>54,294</u>

Future commission revenue is the commission revenue from future trading by the subsidiary CSC Futures (HK) Ltd., which is reflected under “Brokerage commission income”. The Group recognized the commission from CSC Futures (HK) Ltd. as “Futures commission revenue” in the consolidated financial statements.

(iii) Net gains (losses) on derivative instruments

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Non-hedging		
Net gains (losses) on futures contracts		
Gains on futures contracts	\$ 159,890	214,048
Losses on futures contracts	<u>(137,642)</u>	<u>(120,432)</u>
	<u>\$ 22,248</u>	<u>93,616</u>
Net gains (losses) on option contracts		
Gains on option contracts	\$ 126,023	112,159
Losses on option contracts	<u>(185,795)</u>	<u>(119,274)</u>
	<u>\$ (59,772)</u>	<u>(7,115)</u>
Net gains (losses) on leverage derivatives		
Gains on leverage derivatives	\$ 400,534	422,642
Losses on leverage derivatives	<u>(375,721)</u>	<u>(402,403)</u>
	<u>\$ 24,813</u>	<u>20,239</u>
Net gains (losses) on equity derivatives		
Gains on equity derivatives	\$ 27,792	63,090
Losses on equity derivatives	<u>(25,525)</u>	<u>(60,759)</u>
	<u>\$ 2,267</u>	<u>2,331</u>
Net gains (losses) on derivative financial instruments	<u>\$ (30,119)</u>	<u>-</u>
- overseas subsidiaries		
Total gains on derivative financial instruments	\$ 714,239	811,939
Total losses on derivative financial instruments	(724,683)	(702,868)
Net gains (losses) on derivative financial instruments	(30,119)	-
- overseas subsidiaries		
	<u>\$ (40,563)</u>	<u>109,071</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Futures commission expenses

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Re-consigned futures trading	\$ 59,907	66,282
Futures introducing broker business	33,100	32,586
Commission expenses - CSC Futures (HK) Ltd.	16,464	10,158
	<b>\$ 109,471</b>	<b>109,026</b>

(v) Employee benefit, depreciation and amortization expenses

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Employee benefit expenses		
Salary expense	\$ 153,294	137,099
Labor and health insurance expense	9,443	9,325
Pension expense	4,734	4,038
Others	3,671	2,571
Depreciation expense	17,306	12,338
Amortization expense	1,567	1,016
	<b>\$ 190,015</b>	<b>166,387</b>

(vi) Other operating expenses

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Postage expense	\$ 19,598	16,872
Taxes	27,854	22,106
Rental expense	2,691	1,850
Information technology expense	53,411	44,465
Professional service fee	1,980	3,477
Others	27,661	25,454
	<b>\$ 133,195</b>	<b>114,224</b>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(vii) Other gains and losses

	<b>For the three months ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest income	\$ 323,069	277,129
Dividend income	1,333	139
Net gains on non-operating financial instruments at fair value through profit or loss	11,403	1,728
Net gains (losses) on foreign exchange	8,735	2,375
Net gains (losses) on disposal of investments	4,576	1,626
Other non-operating revenue - other	2,650	4,141
Other non-operating expense - other	(1,230)	(2,650)
	<b><u>\$ 350,536</u></b>	<b><u>284,488</u></b>

(viii) Remuneration to employees and directors

According to the Company's Articles of Incorporation, the Company should aside 0.6%-2.0% of annual profit to be distributed as employees' bonus, and aside not higher than 3% of annual profit to be distributed as remuneration to directors. However, the Company's accumulated losses should first be covered. People to receive shares or cash include the employees of subsidiaries meeting certain specific requirements.

For the three months ended March 31, 2024 and 2023, the estimated amounts of remuneration to employee were \$5,000 and \$4,620, and to directors by the Company were \$5,000 and \$4,620, respectively, which were calculated based on the Company's net profit before income tax and remuneration to employees and directors multiple the earnings allocation percentage as specified in the Company's articles. It was recognized as operating expense for the three months ended March 31, 2024 and 2023. If the actual distribution amount differs from the estimated amount in the following year, the difference is treated as a change in accounting estimate and recognized as profit or loss in the following year. The difference is recognized as profit or loss in the following year. If the Board of Directors resolved to distribute the employees' remuneration in the form of shares, the number of shares of the distribution is based on the closing price of the day before the Board of Directors' meeting date.

The estimated amounts of remuneration to employee and director by the Company for fiscal years of 2023 and 2022 were both \$14,749 and \$11,473, respectively. Remuneration to employees and directors for the year ended December 31, 2023 has not yet been actually allotted. There was no difference between accounting estimates and board's resolutions for fiscal year 2022. Related information would be available at the Market Observation Post System website.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(n) Financial Instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represent the maximum credit exposure. As of March 31, 2024, December 31 and March 31, 2023 the maximum credit exposure amounted to \$54,808,480, \$48,573,263 and \$48,820,787, respectively.

2) Concentration of credit risk

The exposure of credit risk by geographic region in March 31, 2024 as shown in below, mainly focusing on Taiwan (accounted for 83.37%), secondly in Asia (accounted for 9.21% excluded Taiwan), thirdly in Europe (accounted for 6.84%). The proportion of investment by geographic region did not change significantly compared to the same period last year.

<u>Area</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Taiwan	\$ 45,692,947	39,189,289	37,915,536
Asia (excluded Taiwan)	5,047,309	5,207,358	9,946,587
North America	319,929	250,708	725,665
Europe	3,748,295	3,925,908	186,475
Oceania	-	-	46,524
Total	<u>\$ 54,808,480</u>	<u>48,573,263</u>	<u>48,820,787</u>

3) Impairment losses

The Group's aging analysis of receivables at reporting date is as follows:

	<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
	<u>Gross carrying amount</u>	<u>Impairment</u>	<u>Gross carrying amount</u>	<u>Impairment</u>	<u>Gross carrying amount</u>	<u>Impairment</u>
Current	\$ 598,637	6,389	164,514	6,457	386,503	6,681
Past due 0~30 days	-	-	-	-	-	-
Past due 31~120 days	-	-	-	-	-	-
Past due 121~360 days	-	-	-	-	-	-
Past due more than 360 days	-	-	-	-	-	-
	<u>\$ 598,637</u>	<u>6,389</u>	<u>164,514</u>	<u>6,457</u>	<u>386,503</u>	<u>6,681</u>

Allowance for doubtful debts under receivables is recorded for the bad debt expense or impairment losses. Where a claim becomes definitely uncollectible, the allowance for doubtful debts should be written off to financial assets account. As of March 31, 2024, December 31 and March 31, 2023, the loss allowance of receivables were recognized \$6,389, \$6,457 and \$6,681, respectively.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

4) Credit risk of receivables

Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g). The Group regards a financial asset as a default when the client of brokerage business is unable to fulfill the margin call or settlement obligation or accrued receivables past due, as well as other receivable of stock default that the company as securities interactive business, which the counterparty is unable to pay the Group. Thus, the Group regarded the financial assets as default and recognized impairment losses. The movement of loss allowance for the three months ended March 31, 2024 and 2023 was as follows:

	<b>For the three months ended March 31, 2024</b>					
	<b>12-month ECL</b>	<b>Lifetime ECL-not credit impaired</b>	<b>Lifetime ECL - credit impaired</b>			<b>Total</b>
			<b>Accounts receivable</b>	<b>Receivable- futures margin</b>	<b>Other receivables</b>	
Balance on January 1	\$ -	-	-	6,457	-	6,457
Reversal of impairment losses	-	-	-	(68)	-	(68)
Balance on March 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,389</u>	<u>-</u>	<u>6,389</u>

  

	<b>For the three months ended March 31, 2023</b>					
	<b>12-month ECL</b>	<b>Lifetime ECL-not credit impaired</b>	<b>Lifetime ECL - credit impaired</b>			<b>Total</b>
			<b>Accounts receivable</b>	<b>Receivable- futures margin</b>	<b>Other receivables</b>	
Balance on January 1	\$ -	-	-	6,756	-	6,756
Reversal of impairment losses	-	-	-	(75)	-	(75)
Balance on March 31	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>6,681</u>	<u>-</u>	<u>6,681</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Liquidity risk

The following table shows the effect of contract maturity on financial liabilities. The Group predicts the cash flow occurring point or the actual amount of this maturity analysis will not be significantly earlier or different.

	<u>Carrying amount</u>	<u>Contract cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 year</u>	<u>2-5 year</u>	<u>More than 5 year</u>
<b>March 31, 2024</b>							
Financial liabilities at fair value through profit or loss	\$ 272,856	272,856	272,856	-	-	-	-
Futures traders' equity	46,817,605	46,817,605	46,817,605	-	-	-	-
Leverage contract trading- customers' equity	689,589	689,589	689,589	-	-	-	-
Accounts payable	281,403	281,403	281,403	-	-	-	-
Receipts under custody	7,007	7,007	7,007	-	-	-	-
Other payables	190,251	190,251	190,251	-	-	-	-
Lease liabilities	82,091	84,705	16,904	16,856	28,787	22,158	-
	<u>\$ 48,340,802</u>	<u>48,343,416</u>	<u>48,275,615</u>	<u>16,856</u>	<u>28,787</u>	<u>22,158</u>	<u>-</u>
<b>December 31, 2023</b>							
Financial liabilities at fair value through profit or loss	\$ 226,781	226,781	226,781	-	-	-	-
Futures traders' equity	40,522,584	40,522,584	40,522,584	-	-	-	-
Leverage contract trading- customers' equity	733,533	733,533	733,533	-	-	-	-
Accounts payable	125,630	125,630	125,630	-	-	-	-
Receipts under custody	4,992	4,992	4,992	-	-	-	-
Other payables	218,981	218,981	218,981	-	-	-	-
Lease liabilities	89,500	92,897	17,811	16,973	29,804	28,309	-
	<u>\$ 41,922,001</u>	<u>41,925,398</u>	<u>41,850,312</u>	<u>16,973</u>	<u>29,804</u>	<u>28,309</u>	<u>-</u>
<b>March 31, 2023</b>							
Financial liabilities at fair value through profit or loss	\$ 236,779	236,779	236,779	-	-	-	-
Futures traders' equity	40,624,681	40,624,681	40,624,681	-	-	-	-
Leverage contract trading- customers' equity	826,682	826,682	826,682	-	-	-	-
Accounts payable	62,698	62,698	62,698	-	-	-	-
Receipts under custody	5,322	5,322	5,322	-	-	-	-
Other payables	176,397	176,397	176,397	-	-	-	-
Lease liabilities	30,296	31,188	11,317	5,149	7,713	7,009	-
	<u>\$ 41,962,855</u>	<u>41,963,747</u>	<u>41,943,876</u>	<u>5,149</u>	<u>7,713</u>	<u>7,009</u>	<u>-</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk of financial assets and liabilities were as follows:

	<b>March 31, 2024</b>		
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 602,969,758.91	32.0000	19,295,032
EUR	11,922,298.90	34.4600	410,842
GBP	486,200.51	40.3900	19,638
JPY	1,770,383,182.00	0.2115	374,436
HKD	266,963,654.64	4.0890	1,091,614
AUD	757,081.64	20.8200	15,762
CHF	135,681.57	35.4800	4,814
SGD	249,110.10	23.7200	5,909
KRW	150,274,905.00	0.0239	3,592
CNY	63,381,754.62	4.4080	279,387
MYR	1,366,142.27	6.4960	8,874
THB	4,341,229.86	0.8840	3,838
NZD	14,587.86	19.1100	279
CAD	7,271.22	23.6200	172
ZAR	3,043,926.18	1.6890	5,141
VND	3,395,786,250.00	0.0013	4,415
INR	15,740,522.84	0.3837	6,040
<b><u>Non-monetary items</u></b>			
USD	11,089,746.44	32.0000	354,872
HKD	74,746.00	4.0890	306
AUD	5,335.88	20.8200	111
CNY	520,696.33	4.4080	2,295
CAD	1,510.85	23.6200	36
CHF	149,029.20	35.4800	5,288
ZAR	353,131.80	1.6890	596
SGD	1,227.45	23.7200	29
INR	840,698.70	0.3837	323

(Continued)



**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2024</b>		
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 583,020,296.88	32.0000	18,656,650
EUR	11,716,987.29	34.4600	403,767
GBP	477,092.72	40.3900	19,270
JPY	1,775,230,990.08	0.2115	375,461
HKD	416,119,120.67	4.0890	1,701,511
AUD	683,623.88	20.8200	14,233
CHF	15,571.23	35.4800	552
SGD	317,838.55	23.7200	7,539
KRW	148,223,760.98	0.0239	3,543
CNY	55,815,662.92	4.4080	246,035
MYR	1,326,008.33	6.4960	8,614
THB	1,499,530.00	0.8840	1,326
NZD	8,322.94	19.1100	159
ZAR	134,951.22	1.6890	228
VND	3,158,804,500.00	0.0013	4,106
<b><u>Non-monetary items</u></b>			
USD	274,244.42	32.0000	8,776
JPY	2,652,163.00	0.2115	561
GBP	63.12	40.3900	2
NZD	3,762.12	19.1100	72

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>December 31, 2023</b>			
<b>Financial assets</b>	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Monetary items</u></b>			
USD	\$ 586,009,832.53	30.7050	17,993,432
EUR	12,480,840.54	33.9800	424,099
GBP	544,955.69	39.1500	21,335
JPY	1,206,940,748.00	0.2172	262,148
HKD	35,305,660.39	3.9290	138,716
AUD	2,839,857.28	20.9800	59,580
CHF	56,230.60	36.4900	2,052
SGD	210,268.92	23.2900	4,897
KRW	117,431,126.00	0.0239	2,807
CNY	81,611,825.29	4.3270	353,134
MYR	1,036,713.06	6.4110	6,646
THB	4,078,762.86	0.9017	3,678
NZD	123,973.43	19.4800	2,415
ZAR	3,752,125.79	1.6570	6,217
VND	3,395,786,250.00	0.0012	4,075
<b><u>Non-monetary items</u></b>			
USD	11,157,083.06	30.7050	342,578
JPY	1,697,776.00	0.2172	369
GBP	4,527.85	39.1500	177
AUD	4,121.35	20.9800	86
CAD	6,159.20	23.2000	143
ZAR	388,850.20	1.6570	644

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>December 31, 2023</b>		
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 566,992,131.19	30.7050	17,409,493
EUR	12,312,496.18	33.9800	418,379
GBP	473,607.56	39.1500	18,542
JPY	1,160,186,835.08	0.2172	251,993
HKD	200,210,575.18	3.9290	786,627
AUD	2,773,861.25	20.9800	58,196
CHF	136,846.05	36.4900	4,994
SGD	291,079.41	23.2900	6,779
KRW	115,945,594.08	0.0239	2,771
CNY	74,298,680.69	4.3270	321,490
MYR	997,889.33	6.4110	6,397
THB	1,318,120.00	0.9017	1,189
NZD	933.08	19.4800	18
CAD	7,849.17	23.2000	182
VND	3,158,804,500.00	0.0012	3,791
<b><u>Non-monetary items</u></b>			
USD	12,726.95	30.7050	391
CNY	1,857,743.84	4.3270	8,039
NZD	8,735.90	19.4800	170
SGD	4,822.19	23.2900	112
CHF	183,499.75	36.4900	6,696

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>March 31, 2023</b>			
<b><u>Financial assets</u></b>	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Monetary items</u></b>			
USD	\$ 616,915,459.69	30.4500	18,785,076
EUR	14,629,885.21	33.1500	484,981
GBP	643,211.56	37.6700	24,230
JPY	1,530,993,835.00	0.2288	350,291
HKD	122,083,618.06	3.8790	473,562
AUD	470,525.23	20.3300	9,566
SGD	422,960.45	22.9100	9,690
KRW	1,984,009,335.00	0.0236	46,823
CNY	120,165,363.03	4.4310	532,453
MYR	445,395.22	6.6180	2,948
THB	3,272,654.86	0.8973	2,937
NZD	435,090.47	19.0500	8,288
ZAR	3,613,151.14	1.7090	6,175
<b><u>Non-monetary items</u></b>			
USD	9,798,896.37	30.4500	298,376
GBP	3,810.99	37.6700	144
AUD	1,869.92	20.3300	38
CNY	70,759.68	4.4310	314
NZD	12,970.30	19.0500	247
CAD	3,947.45	22.4700	89
ZAR	690,509.85	1.7090	1,180
SGD	160.00	22.9100	4

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>		
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 592,775,524.22	30.4500	18,050,015
EUR	14,447,730.61	33.1500	478,942
GBP	479,768.27	37.6700	18,073
JPY	1,549,282,420.08	0.2288	354,476
HKD	224,188,392.36	3.8790	869,627
AUD	582,751.93	20.3300	11,847
CHF	199,748.67	33.2800	6,647
SGD	277,767.45	22.9100	6,364
KRW	1,919,220,850.08	0.0236	45,294
CNY	111,817,977.70	4.4310	495,465
MYR	420,179.77	6.6180	2,781
THB	887,900.00	0.8973	797
NZD	838.61	19.0500	16
CAD	317,100.02	22.4700	7,125
<b><u>Non-monetary items</u></b>			
USD	147,880.36	30.4500	4,503
JPY	1,302,456.00	0.2288	298
CHF	44,915.23	33.2800	1,495

The Group disclosed the summarized information on exchange gain or loss. The realized and unrealized exchange gains amounted to \$8,735 and \$1,852 for the three months ended March 31, 2024 and 2023, respectively.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Sensitivity analysis

The currency risk of the Group arises mainly from cash and cash equivalents, customers' margin accounts, financial assets at fair value through profit or loss and futures traders' equity, which are denominated in foreign currency. Foreign exchange gain or loss occurs as foreign currency was translated to TWD currency. For the three months ended March 31, 2024 and 2023, with all other variable factors remain constant, a strengthening (weakening) 1% of the TWD against the above major foreign currency, would cause after-tax comprehensive income result in a decrease or an increase by \$3,530 and \$5,469, respectively. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the three months ended March 31, 2024 and 2023, with all other variable factors remain constant, when the interest rate increases or decreases by 100 basis points, would cause after-tax comprehensive income result in an increase or a decrease by \$1,729 and \$1,733. This is mainly due to the Group's time deposits in variable rate, guarantee deposited for business operations in variable rate and settlement fund in variable rate.

(v) Fair value and hierarchy information

1) Fair value information

a) General description

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

b) Definition of fair value hierarchy

i) Level 1

The input of Level 1 is the public quote of the same financial instrument in an active market. An active market is a market that meets all the conditions listed below: Products traded in the market is of homogeneity; it is able to reach buyer and seller anytime in the market and the price information can be accessed by the public. Listed stock, OTC stock, beneficiary certificates, as well as equity and derivative instruments with public quote in an active market possessed by the Company belong to Level 1.

ii) Level 2

The input of Level 2 refers to observable price except public quote in an active market, including direct observable input parameters (such as price) or indirect observable input parameters (derivation from price).

iii) Level 3

The input of Level 3 is not based on observable market data or obtained from the counterparty.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Based on fair value measurement

a) Hierarchy information of fair value

The Group's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

March 31, 2024				
Assets and Liabilities items	Total	Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<b>Fair value evaluated on a recurring basis</b>				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 294,043	294,043	-	-
Stock investment	667,716	667,716	-	-
Financial assets at fair value through other comprehensive income	151,683	150,002	-	1,681
Liabilities:				
Financial liabilities at fair value through profit or loss	184,630	184,630	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 511,946	321,389	190,557	-
Liabilities:				
Financial liabilities at fair value through profit or loss	88,226	78,815	9,411	-
December 31, 2023				
Assets and Liabilities items	Total	Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<b>Fair value evaluated on a recurring basis</b>				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 83,920	83,920	-	-
Stock investment	299,558	299,558	-	-
Financial assets at fair value through other comprehensive income	144,076	142,572	-	1,504
Liabilities:				
Financial liabilities at fair value through profit or loss	129,211	129,211	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 448,520	281,959	166,561	-
Liabilities:				
Financial liabilities at fair value through profit or loss	97,570	82,162	15,408	-

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Assets and Liabilities items	March 31, 2023			
	Total	Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<b><u>Fair value evaluated on a recurring basis</u></b>				
<u>Non derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 84,225	84,225	-	-
Stock investment	3,335	3,335	-	-
Financial assets at fair value through other comprehensive income	91,589	90,303	-	1,286
Liabilities:				
Financial liabilities at fair value through profit or loss	123,253	123,253	-	-
<u>Derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss	\$ 403,136	201,216	201,920	-
Liabilities:				
Financial liabilities at fair value through profit or loss	113,526	107,230	6,296	-

b) Valuation techniques

i) Non-derivative financial instruments

The valuation of non-derivative financial instruments are based on transparent offer price as fair value if there is existence of active market, i.e. TSE, OTC and investment Trust and investment Adviser. The equity of non-transparent offer price shall be evaluated by valuation techniques by using the Market approach-public company comparable with the discount of lack equity-liquidity.

ii) Derivative financial instruments

The valuation of derivative financial instruments in the active market are mainly measured settlement price of exchange institution as fair value. The fair value of the remaining financial instruments are obtained by financial valuation models or referencing counterparty quotes. Fair value obtained through the calculations of financial valuation models include, but are not limited to, fair value references of substantive factors and characteristics from similar financial instruments, those obtained from the cash flow discounting method or those obtained by other financial valuation techniques. Fair values obtained through financial valuation techniques are derived from market information on the reporting date, and utilizes the fair values derived from the calculations of financial valuation models.

(Continued)



**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

iii) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the three months ended March 31, 2024 and 2023.

iv) Movements of financial assets at fair value classified into Level 3

(In Thousands Dollars)

Item	For the three months ended March 31, 2024							Ending Balance
	Beginning Balance	Gains and losses on valuation		Addition		Reduction		
		Amount recognized in profit or loss	Amount recognized in comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	
Financial assets at fair value through other comprehensive income	\$ 1,504	-	177	-	-	-	-	1,681

Item	For the three months ended March 31, 2023							Ending Balance
	Beginning Balance	Gains and losses on valuation		Addition		Reduction		
		Amount recognized in profit or loss	Amount recognized in comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	
Financial assets at fair value through other comprehensive income	\$ 1,263	-	23	-	-	-	-	1,286

v) Quantified information of fair value measurement for significant unobservable inputs (Level 3)

The Group's Level 3 fair value measurements are financial assets at fair value through other comprehensive income— equity instruments investment.

The Group's equity instruments investment without active market include multiple significant unobservable inputs. Those unobservable inputs of equity instrument without active market are independent from each other, thus, they are not correlative. Since the correlation between significant unobservable inputs and fair value cannot be fully measured in practical, the quantified information is not disclosed.

Item	Valuation technique	Significant unobservable inputs	Correlation between inputs and fair value
Financial assets at fair value through other comprehensive income equity instruments without an active market	Market approach	<ul style="list-style-type: none"> <li>• Price-to-Book Ratio</li> <li>• Discount for lack of marketability</li> </ul>	<ul style="list-style-type: none"> <li>• The higher price to-book-ratio is, the higher fair value is.</li> <li>• The higher discount for lack of marketability is, the lower the fair value is.</li> </ul>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- vi) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Group made for the financial instruments is deemed reasonable; however, different valuation models or inputs could result in different valuation results. Specifically, if the valuation input of financial instruments classified in the Level 3 changes by 1%, the effects on other comprehensive income are as follows:

	<b>Change in fair value recognized in other comprehensive income</b>	
	<b>Favorable</b>	<b>Unfavorable</b>
<b>March 31, 2024</b>		
Financial assets fair value through other comprehensive income	<b>\$ <u>17</u></b>	<b><u>(17)</u></b>
<b>December 31, 2023</b>		
Financial assets fair value through other comprehensive income	<b>\$ <u>15</u></b>	<b><u>(15)</u></b>
<b>March 31, 2023</b>		
Financial assets fair value through other comprehensive income	<b>\$ <u>13</u></b>	<b><u>(13)</u></b>

Favorable and unfavorable movements of the Group refer to the fluctuation of fair value, and the fair value is calculated through the valuation technique according to the unobservable inputs to different extent. If the fair value of a financial instrument is affected by more than one input, the above table only illustrates the effect as a result of one single input, and the correlation and variance among multiple inputs are not listed here.

- c) Financial instruments not measured at fair value

For financial instruments not measured at fair value, such as cash and cash equivalents, bonds purchased under resale agreements, customers' margin accounts, accounts receivable, deposits, future traders' equity, leverage contract traders' equity, account payables and receipts under custody. The carrying amount is a reasonable approximation of the fair value. Therefore, the Group does not disclose the fair value.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(o) Financial risk management

There were no material changes in the Group's financial risk management goals and policies as disclosed in Note 6(o) of the consolidated financial statements for the year ended December 31, 2023.

(p) Capital management

There were no material changes in the Group's financial risk management goals, policies and procedures as disclosed in Note 6(p) of the consolidated financial statements for the year ended December 31, 2023.

(q) Financing activities not affecting current cash flow

The Group's financing activities which did not affect the current cash flow for the three months ended March 31, 2024 and 2023, were as follows:

(i) For right-of-use assets, please refer to note 6(d).

	<u>Non-cash changes</u>					
	<u>January 1,</u>			<u>Foreign</u>		
	<u>2024</u>	<u>Cash flows</u>	<u>Other</u>	<u>exchange</u>	<u>Fair value</u>	<u>March 31,</u>
				<u>movement</u>	<u>changes</u>	<u>2024</u>
Lease liabilities	\$ 89,500	(8,456)	754	293	-	82,091
Total liabilities from financing activities	<u>\$ 89,500</u>	<u>(8,456)</u>	<u>754</u>	<u>293</u>	<u>-</u>	<u>82,091</u>

	<u>Non-cash changes</u>					
	<u>January 1,</u>			<u>Foreign</u>		
	<u>2023</u>	<u>Cash flows</u>	<u>Other</u>	<u>exchange</u>	<u>Fair value</u>	<u>March 31,</u>
				<u>movement</u>	<u>changes</u>	<u>2023</u>
Lease liabilities	\$ 37,156	(6,774)	19	(105)	-	30,296
Total liabilities from financing activities	<u>\$ 37,156</u>	<u>(6,774)</u>	<u>19</u>	<u>(105)</u>	<u>-</u>	<u>30,296</u>

**(7) Related-party transactions:**

(a) Parent company and ultimate controlling party

Capital Securities Corporation is the parent company and the ultimate controlling party of the Group. It owns 56.58% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Names of related parties and their relationship with related parties

The followings are related parties that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
Capital Securities Corporation	The parent company
CSC Securities (HK) Ltd.	Associate
CSC International Holdings Ltd.	Associate
Capital Investment Trust Corp.	Associate
Funds issued by Capital Investment Trust Corp.	Funds issued by associate
Fu Tai Construction Corporation	Related party in Substance
Other related parties	Key management personnel

(c) Key management personnel compensation

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 54,733	42,996
Post-employment benefits	342	257
Total	<u>\$ 55,075</u>	<u>43,253</u>

(d) Significant transactions with related parties

(i) The amounts of futures trading between the Group and related parties for the three months ended March 31, 2024 and 2023 were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
<b><u>Brokerage fee revenue</u></b>		
Capital Securities Corporation	\$ 14,269	7,528
Funds issued by Capital Investment Trust Corp.	681	96
Other related parties	45	13
Total	<u>\$ 14,995</u>	<u>7,637</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<b><u>Futures traders' equity</u></b>			
Capital Securities Corporation	\$ 2,824,713	1,760,408	2,215,970
Funds issued by Capital Investment Trust Corp.	127,471	671,147	63,572
Other related parties	<u>1,282</u>	<u>270</u>	<u>1,479</u>
Total	<u>\$ 2,953,466</u>	<u>2,431,825</u>	<u>2,281,021</u>

Transaction terms are the same as those with general clients.

Related parties deposit margins to the Group for futures proprietary trading, and the Group paid the interest of excess margin annually.

	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
<b><u>Interest expense</u></b>		
Capital Securities Corporation	\$ 7	3
Funds issued by Capital Investment Trust Corp.	<u>-</u>	<u>11</u>
Total	<u>\$ 7</u>	<u>14</u>

(ii) Accounts payable and receivable:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
<b><u>Accounts receivable</u></b>			
Capital Securities Corporation	<u>\$ 1,482</u>	<u>1,118</u>	<u>1,122</u>
<b><u>Accounts payable</u></b>			
Capital Securities Corporation	<u>\$ 13,275</u>	<u>8,956</u>	<u>16,837</u>
<b><u>Other receivables (Note 1)</u></b>			
Capital Securities Corporation	\$ 3,962	3,649	17,041
CSC Securities (HK) Ltd.	<u>1,269</u>	<u>1,328</u>	<u>128</u>
Total	<u>\$ 5,231</u>	<u>4,977</u>	<u>17,169</u>
<b><u>Other payables</u></b>			
Capital Securities Corporation (Note 2)	\$ 14,601	295	28,493
CSC Securities (HK) Ltd. (Note 3)	<u>815</u>	<u>565</u>	<u>227</u>
Total	<u>\$ 15,416</u>	<u>860</u>	<u>28,720</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(Note 1) Receivables from future interactive brokers, receivables for stock settlement, receivables for information service fee, and interest from bonds purchased under resale agreements.

(Note 2) Payables for allocated expenses and interests to the parent company.

(Note 3) Payables for routine expenses to the associate.

(iii) Bonds purchased under resale agreements

The Group conducted investment with Capital Securities Corporation for bonds purchased under resale agreements shows as follow:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Bonds purchased under resale agreements	\$ <u>28,494</u>	<u>31,426</u>	<u>237,456</u>
Resale price under the agreements	\$ <u>28,516</u>	<u>31,450</u>	<u>237,526</u>
Interest rates	<u>1.00%</u>	<u>1.00%</u>	<u>0.77%~0.83%</u>
Date of repurchase	<u>2024.04.12</u>	<u>2024.01.12</u>	<u>2023.04.06~2023.04.14</u>
		<u>For the three months ended March 31,</u>	
		<u>2024</u>	<u>2023</u>
Interest income		\$ <u>74</u>	<u>391</u>

(iv) Leases

The Group signed three-year lease contracts and rented the office from Capital Securities Corporation. As of March 31, 2024, December 31 and March 31, 2023, the total value of effective contracts were all \$53,289. For the three months ended March 31, 2024 and 2023, the Group recognized the amount of \$224 and \$23 as interest expense. As of March 31, 2024, December 31 and March 31, 2023, lease liabilities amounted to \$40,428, \$44,644 and \$5,908, respectively, and refundable deposits were all amounted to \$4,633.

The Group signed five-year and three-month lease contracts and rented the office from Fu Tai Construction Corporation. As of March 31, 2024, December 31 and March 31, 2023, the total value of effective contracts were \$24,090, \$24,090 and \$0, respectively. For the three months ended March 31, 2024 and 2023, the Group recognized the amount of \$98 and \$0 as interest expense. As of March 31, 2024, December 31 and March 31, 2023, lease liabilities amounted to \$19,158, \$20,283 and \$0, respectively, and refundable deposits were amounted to \$1,165, \$1,165 and \$0.

The Group signed one-year lease contracts and rented the office from CSC International Holdings Ltd. As of March 31, 2024, December 31 and March 31, 2023, the total value of effective contracts were all \$552 (CNY\$127 thousands). For the three months ended March 31, 2024 and 2023, the Group all recognized the amount of \$0 as interest expense. As of March 31, 2024, December 31 and March 31, 2023, lease liabilities were amounted to \$93, \$228 and \$93, respectively, and refundable deposits were amounted to \$139, \$137 and \$140.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Rental expenses

The Group entered into lease agreements with related parties and recognized rental expense for applicable short-term or low-value leases as follow:

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>227</u>	<u>221</u>

The pricing of the rent between the Group and its related parties are determined according to market conditions and paid on a monthly basis.

(vi) Securities commission income

The Group entered into contracts with related parties to engage in securities trading business as permitted by the competent authorities, and details are as follow:

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ 3,214	2,743
CSC Securities (HK) Ltd.	<u>530</u>	<u>5</u>
Total	\$ <u>3,744</u>	<u>2,748</u>

(vii) Interest income (Rent deposit interest and other)

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>197</u>	<u>17</u>

(viii) Interest income (Securities borrowing and securities lending)

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>41</u>	<u>2</u>

(ix) Commission cost

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>32,466</u>	<u>31,492</u>

(x) Information technology expenses

<u>Related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Capital Securities Corporation	\$ <u>14,393</u>	<u>13,360</u>

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(xi) Stock service fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>162</b>	<b>162</b>

(xii) Human resource and legal service fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>75</b>	<b>75</b>

(xiii) Securities transaction fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>92</b>	<b>280</b>

(xiv) Discretionary service commission fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>85</b>	<b>62</b>

(xv) Brokerage fees - proprietary trading

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>55</b>	<b>-</b>

(xvi) Management service fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
CSC Securities (HK) Ltd.	\$ <b>1,577</b>	<b>1,052</b>

(xvii) Stationery and printing fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>1</b>	<b>1</b>

(xviii) Consulting fees

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Other related parties	\$ <b>-</b>	<b>15</b>

(Continued)



**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(8) Pledged assets:None.**

**(9) Significant commitments and contingencies:**

The Group purchased software and hardware systems for business development. As of March 31, 2024, the Group had outstanding balance payment \$7,726.

**(10) Losses due to major disasters:None.**

**(11) Significant subsequent events:None.**

**(12) Derivative instrument transactions:**

(a) As of March 31, 2024, December 31 and March 31, 2023, the open positions of futures and option contracts were as follows:

**March 31, 2024**

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	13	\$ 52,000	52,302	
	TAIEX Futures	Short	24	(96,608)	(96,814)	
	Mini Taiex Futures	Long	301	304,374	304,788	
	Mini Taiex Futures	Short	33	(33,030)	(33,191)	
	Electronic Sector Index Futuress	Short	2	(8,522)	(8,521)	
	Financial Insurance Index Futures	Short	4	(7,347)	(7,355)	
	NTD Gold Futures	Long	25	21,211	21,655	
	Taiwan Stock Futures	Long	2,786	425,259	419,202	
	Taiwan Stock Futures	Short	3,805	(833,869)	(861,037)	
	US Dollar Index Futures	Short	63	(206,567)	(210,206)	
	JPY Dollar Futures	Long	12	32,935	32,090	
	Hang Seng Index Futures	Short	1	(3,411)	(3,388)	
	Mini Taiex Weekly Futures	Long	5	5,050	5,066	
	Mini Financial Futures	Short	32	(14,650)	(14,710)	
	Mini Electronic Futures	Long	83	44,068	44,204	
	TPEX 200 Index Futures	Short	11	(5,419)	(5,499)	
	Soybean Futures	Short	2	(3,818)	(3,813)	
	CME BTC	Short	7	(77,965)	(79,421)	
	CME MBT	Short	5	(1,113)	(1,134)	
	Subtotal			(407,422)		

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**March 31, 2024**

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Options contract:						
	Stock Options (Call)	Long	136	\$ 973	893	
	Stock Options (Call)	Short	124	(623)	(3,355)	
	Stock Options (Put)	Short	37	(406)	(210)	
	Stock Options (Put)	Long	94	323	227	
	TAIEX Options (Call)	Long	4,777	148,329	184,437	
	TAIEX Options (Call)	Short	3,604	(32,709)	(61,955)	
	TAIEX Options (Put)	Long	4,780	43,462	27,583	
	TAIEX Options (Put)	Short	3,600	(15,647)	(6,686)	
	TAIEX Weekly Options (Call)	Long	744	1,823	2,045	
	TAIEX Weekly Options (Call)	Short	597	(1,781)	(1,819)	
	TAIEX Weekly Options (Put)	Long	628	1,576	1,303	
	TAIEX Weekly Options (Put)	Short	897	(1,604)	(1,196)	
	Electronic Sector Index Options (Call)	Long	26	166	56	
	Electronic Sector Index Options (Call)	Short	61	(1,330)	(1,422)	
	Electronic Sector Index Options (Put)	Long	20	203	-	
	Electronic Sector Index Options (Put)	Short	1	(11)	(1)	
	Financial Insurance Index Options (Call)	Long	135	732	1,758	
	Financial Insurance Index Options (Call)	Short	87	(241)	(558)	
	Financial Insurance Index Options (Put)	Long	70	187	56	
	Financial Insurance Index Options (Put)	Short	116	(313)	(95)	
	Gold Options (Call)	Long	56	344	749	
	Gold Options (Call)	Short	56	(387)	(1,432)	
	Gold Options (Put)	Long	88	596	255	
	Gold Options (Put)	Short	53	(147)	(3)	
	India 50 Options (Call)	Short	(1,000)	(57)	(37)	
	India 50 Options (Call)	Long	1,000	62	42	
	India 50 Options (Put)	Short	(900)	(38)	(46)	
	India 50 Options (Put)	Long	1,000	36	45	
	Subtotal			143,518		
Total				<u>\$ (263,904)</u>		

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**December 31, 2023**

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	445	\$ 1,586,880	1,590,217	
	TAIEX Futures	Short	16	(57,010)	(57,152)	
	Mini Taiex Futures	Long	362	322,557	323,224	
	Mini Taiex Futures	Short	60	(52,593)	(53,542)	
	Electronic Sector Index Futures	Long	2	7,038	7,135	
	Financial Insurance Index Futures	Long	3	5,163	5,158	
	NTD Gold Futures	Short	1	(770)	(767)	
	Taiwan Stock Futures	Long	1,630	309,347	311,055	
	Taiwan Stock Futures	Short	3,547	(417,206)	(427,330)	
	US Dollar Index Futures	Short	48	(149,950)	(148,901)	
	Mini Taiex Weekly Futures	Long	332	295,916	297,006	
	Mini Financial Futures	Short	4	(1,719)	(1,719)	
	CME BTC	Short	7	(47,168)	(45,270)	
	CME MBT	Short	5	(674)	(647)	
	Subtotal			<u>1,799,811</u>		
Options contract:						
	Stock Options (Call)	Long	36	\$ 150	193	
	Stock Options (Call)	Short	103	(667)	(717)	
	Stock Options (Put)	Short	31	(249)	(224)	
	Stock Options (Put)	Long	89	372	368	
	TAIEX Options (Call)	Long	3,363	112,684	125,734	
	TAIEX Options (Call)	Short	4,635	(48,055)	(64,308)	
	TAIEX Options (Put)	Long	6,936	83,712	64,039	
	TAIEX Options (Put)	Short	4,185	(17,811)	(11,508)	
	TAIEX Weekly Options (Call)	Long	1,283	2,054	2,087	
	TAIEX Weekly Options (Call)	Short	1,138	(3,905)	(3,855)	
	TAIEX Weekly Options (Put)	Long	1,415	2,141	1,730	
	TAIEX Weekly Options (Put)	Short	643	(1,328)	(1,120)	
	Electronic Sector Index Options (Call)	Short	20	(171)	(273)	
	Financial Insurance Index Options (Call)	Long	22	51	36	
	Financial Insurance Index Options (Call)	Short	27	(60)	(113)	
	Financial Insurance Index Options (Put)	Long	25	54	9	
	Financial Insurance Index Options (Put)	Short	10	(16)	(1)	
	Gold option (Call)	Short	11	(51)	(9)	
	Gold option (Put)	Short	10	(25)	(34)	
	Subtotal			<u>128,880</u>		
Total				<u>\$ 1,928,691</u>		

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**March 31, 2023**

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Futures contract:						
	TAIEX Futures	Long	108	\$ 341,321	341,573	
	TAIEX Futures	Short	28	(87,459)	(88,476)	
	Mini Taiex Futures	Long	175	138,030	138,135	
	Mini Taiex Futures	Short	173	(134,775)	(136,296)	
	Electronic Sector Index Futures	Long	3	8,983	9,067	
	Financial Insurance Index Futures	Long	5	7,628	7,641	
	Financial Insurance Index Futures	Short	3	(4,522)	(4,586)	
	NTD Gold Futures	Long	1	680	732	
	NTD Gold Futures	Short	15	(10,851)	(10,983)	
	Taiwan Stock Futures	Long	1,097	150,195	151,056	
	Taiwan Stock Futures	Short	321	(17,899)	(18,065)	
	US Dollar Index Futures	Short	28	(89,352)	(87,124)	
	Mini Taiex Weekly Futures	Short	30	(23,817)	(23,818)	
	Mini Financial Futures	Long	36	13,757	13,754	
	Mini Electronic Futures	Short	24	(8,985)	(9,067)	
	E-Mini S&P 500 Futures	Long	60	37,425	37,798	
	Coffee Futures	Short	3	(5,824)	(5,841)	
	E-Mini Russell 2000 Index Futures	Long	1	272	276	
	FTSE China A50 Index Futures	Long	10	4,046	4,052	
	Subtotal			<u>318,853</u>		

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**March 31, 2023**

Item	Trading category	Open positions		Contract size or paid for (received from) premium	Fair value	Note
		Long/Short	Number of contracts			
Options contract:						
	Stock Options (Call)	Long	39	\$ 187	215	
	Stock Options (Call)	Short	66	(486)	(521)	
	Stock Options (Put)	Short	8	(16)	(2)	
	Stock Options (Put)	Long	103	519	275	
	TAIEX Options (Call)	Long	4,477	85,057	109,608	
	TAIEX Options (Call)	Short	4,717	(53,399)	(73,949)	
	TAIEX Options (Put)	Long	5,451	58,643	35,845	
	TAIEX Options (Put)	Short	3,543	(33,186)	(22,787)	
	TAIEX Weekly Options (Call)	Long	1,469	4,312	4,234	
	TAIEX Weekly Options (Call)	Short	1,342	(4,224)	(4,109)	
	TAIEX Weekly Options (Put)	Long	1,704	3,121	2,355	
	TAIEX Weekly Options (Put)	Short	1,898	(4,797)	(4,722)	
	Electronic Sector Index Options (Put)	Long	1	5	-	
	Financial Insurance Index Options (Call)	Long	58	129	175	
	Financial Insurance Index Options (Call)	Short	113	(236)	(462)	
	Financial Insurance Index Options (Put)	Long	41	217	186	
	Financial Insurance Index Options (Put)	Short	71	(182)	(18)	
	Gold Options (Call)	Long	18	130	238	
	Gold Options (Call)	Short	12	(122)	(299)	
	Gold Options (Put)	Long	4	19	4	
	Gold Options (Put)	Short	71	(450)	(361)	
	Subtotal			55,241		
Total				\$ 374,094		

- (b) As of March 31, 2024, December 31 and March 31, 2023, the nominal amount of open positions of leverage derivatives contracts were as follows:

Item	March 31, 2024	December 31, 2023	March 31, 2023
Leverage derivatives- long	\$ 3,167,899	4,606,396	3,263,886
Leverage derivatives- short	\$ 3,164,337	4,592,219	3,279,436
Equity derivatives- long	\$ 254,410	234,573	297,051
Equity derivatives- short	\$ 254,360	234,554	297,017

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(13) Restrictions and enforcement of the Company's various financial ratios under Futures Trading Act:**

- (a) The restrictions and enforcement of each financial ratio was calculated in accordance with Regulations Governing Futures Commission Merchants as follow:

Art.	Calculation formula	Current Period		Last Period		Standard	Enforcement
		Calculation	Ratio	Calculation	Ratio		
17	Stockholders' equity					≥ 1	Satisfactory to requirement
	(Total liabilities– futures traders' equity)	7,490,962	4.23	7,015,327	4.64		
		1,771,379		1,510,523			
17	Current Assets	51,987,962	1.12	44,555,695	1.14	≥ 1	"
	Current Liabilities	46,235,237		38,974,744			
22	Stockholders' equity	7,490,962	671.84 %	7,015,327	629.18 %	≥ 60%	"
	Minimum paid-in capital	1,115,000		1,115,000		≥ 40%	
22	Post-adjustment net capital		47.32 %		60.43 %	≥ 20%	"
	Total customer margin deposits required for open positions of customers	5,374,346		5,152,585		≥ 15%	
		11,357,891		8,525,914			

**(14) Specific inherent risks in operating as futures dealer:**

Transactions in futures and options carry a high degree of risk because of the amount of initial margin is small relative to the value of the futures contract, meaning that transactions are heavily leveraged, the fluctuation of underlying markets is unpredictable, and the variance risk of the exchange rate is high. Futures industry thus bears higher operation risk than other industries. If the customers can't exercise the contract or maintain the proper margin, in order to dealing with such abrupt condition, the Group needs sufficient liquidity to cover the transactions and suffer the loss may occur.

**(15) Other:None.**

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(16) Other disclosures:**

## (a) Information on significant transactions:

## (i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Maximum balance of the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 2)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	CSC Futures (HK) Ltd.	F190402	Account receivables -Customer	No	63,514	63,514	-	10.15%	1	3,126		-		-	217,863	1,089,314
1	CSC Futures (HK) Ltd.	F611702	Account receivables -Customer	No	444,595	444,595	158,784	6.40%~ 7.65%	1	208,871		-		-	444,595	1,089,314
1	CSC Futures (HK) Ltd.	F613059	Account receivables -Customer	No	95,270	95,270	95,270	9.15%	1	17,379		-		-	217,863	1,089,314
1	CSC Futures (HK) Ltd.	F612688	Account receivables -Customer	No	15,878	15,878	-	8.15%	1	-		-		-	217,863	1,089,314
1	CSC Futures (HK) Ltd.	F612687	Account receivables -Customer	No	-	-	-	8.15%	1	34		-		-	217,863	1,089,314
1	CSC Futures (HK) Ltd.	F612851	Account receivables -Customer	No	63,514	63,514	-	8.15%	1	681		-		-	217,863	1,089,314
1	CSC Futures (HK) Ltd.	F613091	Account receivables -Customer	No	47,635	47,635	-	8.15%	1	5,997		-		-	217,863	1,089,314
1	CSC Futures (HK) Ltd.	F190416	Account receivables -Customer	No	222,298	222,298	-	6.65%	1	9,351		-		-	222,298	1,089,314

Remark: Besides those approved by the board of directors, each loan limit by an individual is 20% amount of the net assets of CSC Futures (HK) Ltd. on the financial statements. The loan limit of total credit lines is calculated by net value of CSC Futures (HK) Ltd. and in line with the rules of liquid capital of Securities & Futures Commission of Hong Kong. CSC Futures(HK) Ltd. obtained its money lender's license in June 2016 and engaged in lending business according to local laws and regulations in Hong Kong.

Note 1: Type of Numbering

(1) 0 represents Parent company

(2) Invested company is being numbered by company type from 1, same company should have same number.

Note 2: Type of Loans

(1) Business transactions

(2) Necessaries of short-term financing

## (ii) Guarantees and endorsements for other parties:None.

## (iii) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

## (iv) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None.

## (v) Service charge discounts on transactions with related parties in an aggregate amount of NT\$5 million or more:None.

## (vi) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:None.

## (vii) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Information technology expenses	10,396	General transaction	1.83%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	10,396	General transaction	1.83%
1	CSC Futures (HK) Ltd.	Capital Futures Technology (Shanghai) Co.,Ltd.	3	Information technology expenses	497	General transaction	0.09%

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
2	Capital Futures Technology (Shanghai) Co., Ltd.	CSC Futures (HK) Ltd.	3	Other operating revenue	497	General transaction	0.09%
1	CSC Futures (HK) Ltd.	Capital True Partner Technology Co., Ltd.	3	Other payables	3,243		0.01%
2	Capital True Partner Technology Co., Ltd.	CSC Futures (HK) Ltd.	3	Accounts receivable	3,243		0.01%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures traders' equity	919,986		1.64%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	916,045		1.63%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	3,941		0.01%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures traders' equity	5,497,244		9.80%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Customers' margin account	5,263,917		9.38%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Customers' margin account	233,327		0.42%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission revenue	4,703	General transaction	0.83%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Futures commission expenses	4,703	General transaction	0.83%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Brokerage fee revenue	27,631	General transaction	4.85%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Futures commission expenses	27,631	General transaction	4.85%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Interest revenue	4,751	General transaction	0.83%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Financial cost	4,751	General transaction	0.83%
0	Capital Futures Corp.	CSC Futures (HK) Ltd.	1	Other payables	9,235		0.02%
1	CSC Futures (HK) Ltd.	Capital Futures Corp.	2	Other receivables	9,235		0.02%

Note 1: The numbers in the Ref No. column represent as follows:

- (1) 0 stands for the parent company.
- (2) Subsidiaries are coded from No. 1 per respective companies.

Note 2: Transaction relationship with the counterparties are as follows:

- (1) Parent company to subsidiaries.
- (2) Subsidiaries to parent company.
- (3) Subsidiaries to subsidiaries.

(b) Information on investees: (excluding information on investees in Mainland China)

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Date of establishment	FSC Rule No.	Main businesses and products	Original investment amount		Balance as of March 31, 2024			Revenue of investee	Net income (losses) of investee	Share of profits/losses of investee	Cash dividend	Note
						March 31, 2024	December 31, 2023	Shares (thousands)	Percentage of ownership	Carrying value					
Capital Futures Corporation	CSC Futures (HK) Ltd.	Hong Kong	1998.12.9	Gin Guan Zheng Zhi No. 1010027412 letter	Futures dealing business and other businesses permitted by local law of Hong Kong	886,284	886,284	220,000	100.00 %	1,089,314	93,467	11,375	11,375	-	Subsidiary
Capital Futures Corporation	Capital International Technology Co., Ltd.	Taiwan	2014.12.29	Gin Guan Zheng Zhi No. 1030038387 letter	Management consulting and information service business	50,000	50,000	5,000	100.00 %	16,666	-	(1,738)	(1,738)	-	Subsidiary

(Continued)



**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) Information on overseas branches and representative offices: None.

(d) Information on investment in Mainland China:

(i) Investment in Mainland China and related information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2024	Net income (losses) of the investee	Direct or indirect share holdings(%) by the company	Highest percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Capital True Partner Technology Co., Ltd.	Management consulting and information service business	5,013	(C)	24,372	-	-	24,372	1,428	51.00%	51.00%	728 B (3)	9,112	-
Capital Futures Technology (Shanghai) Co., Ltd.	Management consulting and information service business	18,863	(C)	18,863	-	-	18,863	(1,213)	100.00%	100.00%	(1,213) B (3)	1,330	-

Note 1: Investment methods are classified into the following three categories:

- A. Directly invest in a Company in Mainland China.
- B. Through investing in an existing Company in the third area, which then invested in the investee in Mainland China (Please indicate the investee name of the third area).
- C. Through a subsidiary to invest in a Company in Mainland China.

Note 2: Investment gains and losses recognized during the period

- A. It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
- B. Indicate the basis for investment gains and losses recognition in the number of one of the following three categories:
  - (1) The recognition of investment gains or losses is based on the financial statements audited by international certified public accountant cooperated with certified public accountant of the Republic of China.
  - (2) The recognition of investment gains or losses is based on the financial statements audited by certified public accountant of the Company.
  - (3) The recognition of investment gains or losses is based on the financial statements provided by the investee without audited by certified public account.

Note 3: Above information is expressed in New Taiwan Dollars.

(ii) Limitation on investment in Mainland China:

(In Thousands of New Taiwan Dollars)

Company Name	Accumulated Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Capital International Technology Corp.	43,235	43,235	80,000

Note: The Company invests through a subsidiary, Capital International Technology Co., Ltd., to invest in Mainland China. According to the relevant rules to small and medium enterprises, the upper limit for investment in China is \$80,000.

(e) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Capital Securities Corporation		119,066,014	56.58 %

Note 1: The information on the major shareholders in this table is based on the last business day of the end of each quarter by CCB. The total number of ordinary shares and special shares of the company that have been delivered without physical registration (including treasury shares) is calculated by the shareholders of the company up to 5%. There may be differences or differences due to the calculation basis of the preparation between share capital recorded in the company's financial report and the company's actual non-physical registration of shares.

Note 2: If the information above belongs to the trust on behalf of the shareholders, it is disclosed by the individual and trustor who opened the trust account by the trustee. As for shareholders to declare shares who hold more than 10% of their shares in accordance with the Securities and Exchange Act, its shareholding includes personal holding of shares plus the shares delivered to the trust with decision right etc. Please refer to the Public Information Observatory for information on insider shareholding declarations.

(Continued)

**CAPITAL FUTURES CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(17) Segment information:**

(a) General information

The Group has one reportable segment: the brokerage segment. This segment is mainly involved in futures brokerage business. The Group's other operating segments are mainly involved in futures and securities business on a proprietary basis and advisory business, etc. For the three months ended March 31, 2024 and 2023, none of the above segments met the quantitative thresholds for reportable segments.

(b) Information about reportable segments and their measurement and reconciliations

The Group does not allocate the income tax expense or extraordinary gain/loss to the reportable segment. The reported information of operating segments are consistent with the internal reports provided to the chief operating decision-maker. All accounting policies of the Group's operating segments' are no material difference from the ones described in Note 4 "significant accounting policies". The Group evaluates segment performance based on the net profit before tax excluding any extraordinary activity and foreign exchange gain/loss. The Group does not evaluate segment's performance based on its assets and liabilities so that there was no disclosure of assets and liabilities of the operating segment.

	<b>For the three months ended March 31, 2024</b>			
	<b>Brokerage business</b>	<b>Others</b>	<b>Adjustment and elimination</b>	<b>Total</b>
Segment revenue	\$ <u>608,996</u>	<u>237,009</u>	<u>(276,517)</u>	<u>569,488</u>
Segment profit or loss	\$ <u>193,705</u>	<u>140,169</u>	<u>-</u>	<u>333,874</u>
	<b>For the three months ended March 31, 2023</b>			
	<b>Brokerage business</b>	<b>Others</b>	<b>Adjustment and elimination</b>	<b>Total</b>
Segment revenue	\$ <u>606,151</u>	<u>156,512</u>	<u>(239,505)</u>	<u>523,158</u>
Segment profit or loss	\$ <u>278,366</u>	<u>28,737</u>	<u>-</u>	<u>307,103</u>

(c) Information about regions

Since the revenue from foreign customers were not significant and there was no disclosure.

(d) Information about major customers

There was no disclosure because no individual customer accounted for 10% or more of the Group's revenues for the current periods.

**CAPITAL FUTURES CORPORATION**

**Financial Statements of Securities Dealing Department**

**For the Three Months Ended March 31, 2024 and 2023**

## Table of contents

Contents	Page
1. Cover Page	58
2. Table of Contents	59
3. Securities Dealing Department's Balance Sheets	60
4. Securities Dealing Department's Statements of Comprehensive Income	61
5. Notes to the Financial Statements of Securities Dealing Department	
(1) Company history	62
(2) Approval date and procedures of the financial statements	62
(3) New standards, amendments and interpretations adopted	62
(4) Summary of material accounting policies	62
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	62
(6) Explanation of significant accounts	62~68
(7) Related-party transactions	68~69
(8) Pledged assets	69
(9) Significant commitments and contingencies	69
(10) Losses due to major disasters	69
(11) Significant subsequent events	69
(12) Other	70
(13) Other disclosures	
(a) Information on significant transactions	70
(b) Information on investees	70
(c) Information on overseas branches and representative offices	70
(d) Information on investment in Mainland China	70
(e) Major shareholders	70
(14) Segment information	70

(English Translation of Financial Statements of Securities Dealing Department Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION**  
**Securities Dealing Department's Balance Sheets**  
**March 31, 2024, December 31, 2023, and March 31, 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
111100	Cash and cash equivalents (Note 6(a))	\$ 390,836	25	664,241	59	1,004,950	79	212000	Financial liabilities at fair value through profit or loss- current (Note 6(d))	\$ 11,425	1	12,120	1	106,208	8
112000	Financial assets at fair value through profit or loss- current (Note 6(b))	750,961	48	304,128	27	137	-	214130	Accounts payable	217,411	14	78,428	7	79	-
113200	Financial assets at fair value through comprehensive income- current (Note 6(b))	12,217	1	13,243	1	37,817	3	214170	Other payables	882	-	1,378	-	767	-
114010	Bonds purchased under resale agreements(Note 6(b))	130,003	9	60,208	5	-	-	216000	Lease liabilities- current	124	-	124	-	56	-
114100	Security borrowing margin	19,254	1	15,715	2	187,643	15		<b>Non-current liabilities:</b>						
114130	Accounts receivable	233,989	15	40,084	4	16,104	1	226000	Lease liabilities- non-current	144	-	175	-	-	-
114150	Prepayments	11	-	6	-	16	-	229110	Inter-department accounts, credit(note 6(e))	297,489	19	37,864	4	198,041	16
114170	Other receivables	1,483	-	611	-	14,266	1		<b>Total liabilities</b>	<u>527,475</u>	<u>34</u>	<u>130,089</u>	<u>12</u>	<u>305,151</u>	<u>24</u>
114600	Current income tax assets	583	-	518	-	209	-		<b>Equity:</b>						
		<u>1,539,337</u>	<u>99</u>	<u>1,098,754</u>	<u>98</u>	<u>1,261,142</u>	<u>99</u>	301110	Assigned working capital	800,000	51	800,000	71	800,000	62
	<b>Non-current assets:</b>							304000	Retained earnings	236,663	15	191,084	17	177,110	14
125000	Property and equipment	1,692	-	1,777	-	330	-	305000	Other equity	(3,676)	-	(2,650)	-	(3,039)	-
125800	Right-of-use assets	267	-	298	-	55	-		<b>Total equity</b>	1,032,987	66	988,434	88	974,071	76
127000	Intangible assets	14	-	20	-	21	-								
129000	Other non-current assets (Note 6(c))	19,152	1	17,674	2	17,674	1								
		<u>21,125</u>	<u>1</u>	<u>19,769</u>	<u>2</u>	<u>18,080</u>	<u>1</u>								
	<b>Total assets</b>	<u>\$ 1,560,462</u>	<u>100</u>	<u>1,118,523</u>	<u>100</u>	<u>1,279,222</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 1,560,462</u>	<u>100</u>	<u>1,118,523</u>	<u>100</u>	<u>1,279,222</u>	<u>100</u>

See accompanying notes to financial statements of securities dealing department.

(English Translation of Financial Statements of Securities Dealing Department Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION****Securities Dealing Department's Statements of Comprehensive Income****For the three months ended March 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

		<b>For the three months ended March 31, ,</b>			
		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Income:</b>					
410000	Net gains (losses) on sale of trading securities	\$ 36,533	69	915	6
421300	Dividend revenue	1,070	2	124	1
421500	Net gains (losses) on measurement of trading securities at fair value through profit or loss	15,490	29	(655)	(4)
421600	Net gains (losses) on covering of borrowed securities and bonds with resale agreements-short sales	-	-	(8,651)	(61)
421610	Net gains (losses) on borrowed securities and bonds with resale agreements-short sales at fair value through profit or loss	4	-	(5,322)	(38)
428000	Other operating losses	-	-	(523)	(4)
		<u>53,097</u>	<u>100</u>	<u>(14,112)</u>	<u>(100)</u>
<b>Expenses:</b>					
502000	Brokerage fees- proprietary trading	310	1	27	-
521200	Financial costs	2	-	-	-
531000	Employee benefits expense	1,286	2	189	2
532000	Depreciation and amortization expense	123	-	93	1
533000	Other operating expenses	7,521	14	1,599	11
		<u>9,242</u>	<u>17</u>	<u>1,908</u>	<u>14</u>
	<b>Net operating income (loss)</b>	<u>43,855</u>	<u>83</u>	<u>(16,020)</u>	<u>(114)</u>
<b>Non-operating income and expenses:</b>					
602000	Other gains and losses	1,724	3	2,657	19
		<u>1,724</u>	<u>3</u>	<u>2,657</u>	<u>19</u>
902001	<b>Net income (loss) before income tax</b>	45,579	86	(13,363)	(95)
701000	<b>Less: Income tax expenses</b>	-	-	-	-
	<b>Net income (loss)</b>	<u>45,579</u>	<u>86</u>	<u>(13,363)</u>	<u>(95)</u>
805000	<b>Other comprehensive income:</b>				
805500	Components that may not be reclassified subsequently to profit or loss:				
805540	Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(1,026)	(2)	5,321	38
805599	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Subtotal of components that may not be reclassified subsequently to profit or loss</b>	<u>(1,026)</u>	<u>(2)</u>	<u>5,321</u>	<u>38</u>
805000	<b>Other comprehensive income</b>	<u>(1,026)</u>	<u>(2)</u>	<u>5,321</u>	<u>38</u>
902006	<b>Total comprehensive income</b>	<u>\$ 44,553</u>	<u>84</u>	<u>(8,042)</u>	<u>(57)</u>

See accompanying notes to financial statements of securities dealing department.

(English Translation of Financial Statements of Securities Dealing Department Originally Issued in Chinese)

**CAPITAL FUTURES CORPORATION**

**Notes to the Financial Statements of Securities Dealing Department**

**For the three months ended March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Securities Dealing Department of Capital Futures Corporation (the “Department”) was approved by the Securities and Futures Bureau of the Financial Supervisory Commission to conduct securities-related proprietary business on July 7, 2015 and started its operations on September 1, 2015.

**(2) Approval date and procedures of the financial statements:**

The financial statements of the Department were authorized for issuance by the Board of Directors on May 13, 2024.

**(3) New standards, amendments and interpretations adopted:**

The new standards, amendments and interpretations of the Department apply in line with the consolidated financial report. Please refer to the consolidated financial report.

**(4) Summary of material accounting policies:**

The financial statements of the Department have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

The accounting policies of the Department are consistent with the consolidated financial report, please refer to the consolidated financial report.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the financial statements of the Department, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Firms and IAS 34 "Interim Financial Reporting", requires management to make judgments estimates and assumptions that affect the application of the accounting policies and reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Demand deposits	\$ 96,836	45,241	160,050
Time deposits	294,000	619,000	844,900
Total	<u>\$ 390,836</u>	<u>664,241</u>	<u>1,004,950</u>

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

## (b) Financial assets

## (i) Financial assets at fair value through profit or loss- current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Trading securities- proprietary trading	\$ 722,343	294,712	139
Trading securities- proprietary trading valuation adjustment	28,618	9,416	(2)
Total	<u>\$ 750,961</u>	<u>304,128</u>	<u>137</u>

If there is an increase in the securities price of 1% on the reporting date (assume that all other variables remained the same), the impact on after-tax comprehensive income for the three months ended March 31, 2024 and 2023 will increase \$7,510 and \$1, respectively. Conversely, if there is a decrease in the securities price of 1% on the reporting date based on all other variables remained the same, there will be the same amount but opposite direction of influence.

## (ii) Financial assets at fair value through other comprehensive income- current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity investments at fair value through other comprehensive income			
Listed stocks	\$ 15,893	15,893	40,856
Valuation adjustment	(3,676)	(2,650)	(3,039)
Total	<u>\$ 12,217</u>	<u>13,243</u>	<u>37,817</u>

The Department designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Department did not intend to hold for trading purposes.

During the three months ended March 31, 2024 and 2023, the dividends of \$0 and \$124, related to equity investment at fair value through other comprehensive income held on the years then ended, respectively, were recognized. For investments in equity securities disposed of for the three months ended March 31, 2024 and 2023, no dividend income was recognized in the reported periods.

During the three months ended March 31, 2024 and 2023, due to the consideration of asset allocation and managing and adjusting the investment portfolio, the Department sold shares of stocks for a fair value \$0 and \$11,190, respectively, and cumulative dispose gains for the three months ended March 31, 2024 and 2023, amounted to \$0 and \$189, respectively, were transferred from other equity items to retained earnings.

(Continued)



**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

(iii) Bonds purchased under resale agreements

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Bonds purchased under resale agreements	\$ <u>130,003</u>	<u>60,208</u>	<u>-</u>
Resale price under the agreements	\$ <u>130,032</u>	<u>60,220</u>	<u>-</u>
Interest rates	<u>1.00%</u>	<u>0.95%</u>	<u>-</u>
Date of repurchase	<u>2024.04.01~2024.04.08</u>	<u>2024.01.02~2024.01.03</u>	<u>-</u>

(c) Other non-current assets

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Guarantee deposited for business operations	\$ 10,000	10,000	10,000
Settlement fund	<u>9,152</u>	<u>7,674</u>	<u>7,674</u>
Total	<u>\$ 19,152</u>	<u>17,674</u>	<u>17,674</u>

(d) Financial liabilities at fair value through profit or loss-current

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Liabilities on sale of borrowed securities - non-hedging	\$ 11,267	12,084	105,411
Liabilities on sale of borrowed securities valuation adjustment - non-hedging	<u>158</u>	<u>36</u>	<u>797</u>
Total	<u>\$ 11,425</u>	<u>12,120</u>	<u>106,208</u>

(e) Inter-department accounts, credit

As of March 31, 2024, December 31 and March 31, 2023, the Department and the Company's futures department inter-department transactions of \$297,489, \$37,864 and \$198,041, respectively.

(f) Financial Instruments

(i) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. As of March 31, 2024, December 31 and March 31, 2023, the maximum credit exposure amounted to \$1,557,895, \$1,115,904 and \$1,278,591, respectively.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

## (ii) Liquidity risk

The following table shows the effect of contract maturity on financial liabilities. The Department predicts the cash flow occurring point or the actual amount of this maturity analysis will not be significantly earlier or different.

	<u>Carrying amount</u>	<u>Contract cash flow</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 year</u>	<u>2-5 year</u>	<u>More than 5 year</u>
<b>March 31, 2024</b>							
Financial liabilities at fair value through profit or loss	\$ 11,425	11,425	11,425	-	-	-	-
Accounts payable	217,411	217,411	217,411	-	-	-	-
Other payables	882	882	882	-	-	-	-
Lease liabilities	268	275	64	64	103	44	-
<b>Total</b>	<b>\$ 229,986</b>	<b>229,993</b>	<b>229,782</b>	<b>64</b>	<b>103</b>	<b>44</b>	<b>-</b>
<b>December 31, 2023</b>							
Financial liabilities at fair value through profit or loss	\$ 12,120	12,120	12,120	-	-	-	-
Accounts payable	78,428	78,428	78,428	-	-	-	-
Other payables	1,378	1,378	1,378	-	-	-	-
Lease liabilities	299	307	64	64	112	67	-
<b>Total</b>	<b>\$ 92,225</b>	<b>92,233</b>	<b>91,990</b>	<b>64</b>	<b>112</b>	<b>67</b>	<b>-</b>
<b>March 31, 2023</b>							
Financial liabilities at fair value through profit or loss	\$ 106,208	106,208	106,208	-	-	-	-
Accounts payable	79	79	79	-	-	-	-
Other payables	767	767	767	-	-	-	-
Lease liabilities	56	56	45	11	-	-	-
<b>Total</b>	<b>\$ 107,110</b>	<b>107,110</b>	<b>107,099</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (iii) Currency risk

## 1) Exposure to foreign currency risk

The Department's significant exposure to foreign currency risk of financial assets and liabilities were as follows:

	<b>March 31, 2024</b>		
	<u>Foreign currency (dollar)</u>	<u>Exchange rate</u>	<u>Thousands of New Taiwan Dollars</u>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 43.74	32.0000	2
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	1,950.55	23.7200	46

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

<b>December 31, 2023</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>New Taiwan Dollars</b>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 43.74	30.7050	2
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	2,340.40	23.2900	55
<b>March 31, 2023</b>			
	<b>Foreign currency (dollar)</b>	<b>Exchange rate</b>	<b>Thousands of New Taiwan Dollars</b>
<b><u>Financial assets</u></b>			
<b><u>Monetary items</u></b>			
USD	\$ 2,045,513.65	30.4500	62,286
<b><u>Financial liabilities</u></b>			
<b><u>Monetary items</u></b>			
SGD	1,104.76	22.9100	25

For the three months ended March 31, 2024 and 2023, the foreign exchange gains (losses) (including realized and unrealized) were \$0 and \$(523), respectively.

2) Sensitivity analysis

The currency risk of the Department arises mainly from cash and cash equivalents, financial assets at fair value through profit or loss, accounts receivable, other receivables, other payables and lease liabilities which are denominated in foreign currency. As of three months ended March 31, 2024 and 2023, with all other variable factors remained constantly, a strengthening (weakening) 1% of the TWD against the USD, would cause after-tax comprehensive income result in a decrease or an increase by \$0 and \$498, respectively. The analytical basis was the same in both years.

(iv) Analysis in interest rates

For the three months ended March 31, 2024 and 2023, with all other variable factors remained constantly, when the interest rate increases or decreases by 100 basis points, would cause after-tax comprehensive income resulting in an increase or a decrease by \$18 and \$15. This is mainly due to the Department's settlement fund in variable rate.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

(v) Fair value and hierarchy information

1) Fair value information

The fair value information of the Department is consistent with the consolidated financial report. Please refer to the consolidated financial report.

2) Based on fair value measurement

a) Hierarchy information of fair value

The Department's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

<b>March 31, 2024</b>				
<b>Assets and Liabilities items</b>	<b>Total</b>	<b>Public quote of the same financial instrument in an active market (Level 1)</b>	<b>Observable price except public quote in an active market (Level 2)</b>	<b>Based neither on direct market data nor from the counter party (Level 3)</b>
<b><u>Fair value evaluated on a recurring basis</u></b>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 83,296	83,296	-	-
Stock investment	667,665	667,665	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	12,217	12,217	-	-
Liabilities :				
Financial liabilities at fair value through profit or loss	11,425	11,425	-	-
<b>December 31, 2023</b>				
<b>Assets and Liabilities items</b>	<b>Total</b>	<b>Public quote of the same financial instrument in an active market (Level 1)</b>	<b>Observable price except public quote in an active market (Level 2)</b>	<b>Based neither on direct market data nor from the counter party (Level 3)</b>
<b><u>Fair value evaluated on a recurring basis</u></b>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Beneficiary certificate	\$ 4,627	4,627	-	-
Stock investment	299,501	299,501	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	13,243	13,243	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss	12,120	12,120	-	-

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

Assets and Liabilities items	Total	March 31, 2023		
		Public quote of the same financial instrument in an active market (Level 1)	Observable price except public quote in an active market (Level 2)	Based neither on direct market data nor from the counter party (Level 3)
<b>Fair value evaluated on a recurring basis</b>				
<u>Non-derivative assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Stock investment	\$ 137	137	-	-
Financial assets at fair value through other comprehensive income				
Stock investment	37,817	37,817	-	-
Liabilities:				
Financial liabilities at fair value through profit or loss				
	106,208	106,208	-	-

b) Valuation techniques

The evaluation techniques of the Department in terms of fair value are in consistent with the consolidated financial report. Please refer to the consolidated financial report.

3) Financial instruments not measured at fair value

For financial instruments not measured at fair value, such as cash and cash equivalents, accounts receivable, deposits and accounts payable. The carrying amount is a reasonable approximation of the fair value. Therefore, the Department did not disclose the fair value.

**(7) Related-party transactions:**

(a) Parent company and ultimate controlling party

Capital Securities Corporation is the parent company and the ultimate controlling party of the Company. It owns 56.58% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(b) Names of related parties and their relationship with related parties

The followings are related parties that have had transactions with the Company during the periods covered in the Department.

Name of related party	Relationship with the Company
Capital Securities Corporation	The parent company
Capital International Technology Co., Ltd.	A Subsidiary

(c) Key management personnel compensation : None.

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

(d) Significant transactions with related parties

(i) Leases

The Department signed lease contracts from Capital Securities Corporation for the rental of office premises. As of March 31, 2024, December 31 and March 31, 2023, the total value of effective contracts of were \$266, \$266 and \$291, respectively. For the three months ended March 31, 2024 and 2023, the Department recognized the amount of \$1 and \$0 as interest expense. As of March 31, 2024, December 31 and March 31, 2023, lease liabilities were amounted to \$201, \$223 and \$33, respectively.

(ii) Rental expenses

The Department entered into lease agreements with related parties and recognized rental expense for applicable short-term or low-value leases as follow:

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>24</b>	<b>24</b>

The rental rate between the Department and the related parties are determined based on the market price and are paid on a monthly basis.

(iii) Information technology expenses

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital Securities Corporation	\$ <b>144</b>	<b>135</b>

(iv) Repair and maintenance expenses

	<b>For the three months ended March 31,</b>	
<b>Related parties</b>	<b>2024</b>	<b>2023</b>
Capital International Technology Co., Ltd.	\$ <b>-</b>	<b>8</b>

**(8) Pledged assets:None.**

**(9) Significant commitments and contingencies:None.**

**(10) Losses due to major disasters:None.**

**(11) Significant subsequent events:None.**

(Continued)

**CAPITAL FUTURES CORPORATION**  
**Notes to the Financial Statements of Securities Dealing Department**

**(12) Other:**

- (a) Specific inherent risks in operating as securities dealer:

The main risk exposure of the Department is market price risk. The market price of the securities held by the Department is measured at fair value, i.e., the market price of the securities held is subject to fluctuations of the weighted index. Based on risk management, the Department uses appropriate hedging strategies to reduce risk exposure.

**(13) Other disclosures:**

- (a) Information on significant transactions:None.
- (b) Information on investees:None.
- (c) Information on overseas branches and representative offices:None.
- (d) Information on investment in Mainland China:None.
- (e) Major shareholders:None.

**(14) Segment information:**

This Department only engages in securities proprietary business as a single industry, therefore it is not applicable.